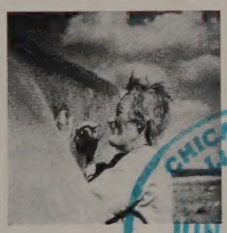
JUNE 23, 1956

foreign trade

NADA



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CANADA

foreign trade

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cover To introduce our annual review of commerce, industry and trade in Europe, we present a montage of typical Europeans at work in cottage industry, on the land, or by the sea. Top left, gathering in the hay in the Swiss Oberland; below, Portuguese women making a carpet of traditional pattern; middle, top, a Finnish fisherman mending his nets; below, a Belgian boy shaping a vase of beaten copper; right, top, Greek peasants weaving cloth on a wooden loom; below, two Danish farmers scanning the sky with experienced eyes.

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EUROPE

a Good Market for Canad

Prosperity in Europe, varying in degree from one country to another, has pushed up demand for imports, including dollar goods. Canadian exports to this area in 1955 rose nearly $40 million over 1954, and increase continued in first quarter of '56. Both raw materials and manufactured goods figure in these larger sales.

F. P. WEISER, *International Trade Relations Branch.*

THE EXPANSION which has dominated the economic scene in Europe since the beginning of 1953 continued at an accelerated pace during 1955. The degree of prosperity varies from one country to another, as the reports in this issue indicate, but the same trend prevails everywhere in Western Europe. The demand for consumer goods is very strong and consumer purchases keep production high. Stimulated by plentiful employment, rising incomes, and by larger supplies of consumer goods in a greater variety, Europeans are hard at work improving their standard of living.

In 1955 alone, personal per capita consumption in Western Europe rose by more than 5 per cent, reaching an index figure of 114, compared with 96 in 1938 (1952=100). Purchases of consumer durables showed the greatest increase, spurred on to some extent by credit buying facilities which are relatively new in Europe. Mainly as a result of larger consumer purchases, industrial output continued to climb at a rapid rate and has risen by 25 per cent since January 1, 1953. Europe's gross national product increased by about 6 per cent in 1956, exceeding the high rate of expansion of 5 per cent in each of the two preceding years.

The sustained advance in economic activity has resulted in production running at or near capacity in most sectors of the economy. The number of unfilled labo vacancies is large in many countries and consum prices have increased in some instances. Although t pressures are not nearly as great as those whi developed after the outbreak of the Korean War, ma European countries have taken corrective steps. The consist largely of restriction of bank credit and measures in the field of taxation. Moreover, the effo towards reducing pressures on prices rely to a signi cant extent upon obtaining from North America lo priced raw materials and also manufactured produc which are in short supply in Europe. This is appare from increased dollar imports, from progressive doll import liberalization, and (to some extent) from tar reductions.

Trends in Trade and Payments

Europe's prosperity is seen in its foreign trade. Intr European trade exceeded previous records, reflecti high activity and continuing liberalization. The mo pronounced feature, however, was a great increase imports from dollar countries, as the following tab shows:

TRADE OF 14 WEST EUROPEAN COUNTRIES*

(in millions of U.S. dollars)

	Total exports to:	*Dollar countries*	*Non-sterling OEEC countr in Europe*
1955	25,247·8	2,511·2	12,070·2
1954	22,335·0	2,142·0	10,385·2
Change	2,912·8	369·2	1,685·0

	Total imports from:	*Dollar countries*	*Non-sterling OEEC countr in Europe*
1955	28,962·0	4,384·7	11,109·1
1954	24,283·0	3,335·1	10,303·8
Change	4,679·0	1,049·6	805·3

Source: *Direction of International Trade,* UN Statistical Office

* Statistics for Spain for 1955 are not yet available and the rep on West Germany was delayed and could not be included Editor.

Dollar imports rose by more than $1 billion, an advance of 32 per cent, compared with a 20 per cent increase in imports from European countries. Exports to dollar countries increased by $370 million compared with a decrease of $80 million a year earlier. The dollar trade deficit in 1955 amounted to almost $1·9 billion, up from $1·2 billion in 1954.

Despite this trade deficit, the gold and dollar reserves of Western European countries increased during 1955 to about $11·5 billion, a rise of approximately $1·5 billion, roughly the same as in 1954. The main factors in this increase were North American military expenditures, mainly by the United States; earnings from services, such as tourists and transportation, and dollar earnings from trade with third countries. In so far as reserves are concerned, European countries are in a better position than ever to purchase the dollar goods which they need.

Agreement on Tariffs and Trade. Canada concluded new agreements with Austria, the Benelux countries, Denmark, Germany, Italy, Norway and Sweden. Apart from the concessions resulting from these negotiations, Canadian exporters will also benefit from many other concessions which these countries negotiated among themselves, with the United Kingdom, and with the United States. Finland and France, with whom Canada did not negotiate directly, have also granted certain concessions to third countries which are of interest to Canada.

As a result of these tariff concessions, and of concessions obtained at earlier GATT tariff negotiations, European tariffs on many Canadian products are contractually bound either duty-free or at low rates of duty. This is particularly significant because import liberalization measures are increasing the importance of tariffs in regulating import trade.

Canadian Trade with Europe

(DBS statistics—in millions of dollars)

CANADIAN EXPORTS

			Jan.-March	
	1954	*1955*	*1955*	*1956*
Total	350·2	388·9	72·5	95·8
Belgium	55·0	53·4	10·4	10·3
France	33·8	42·6	7·6	12·8
West Germany	86·9	90·8	15·2	18·2
Italy	23·8	27·7	4·0	8·5
Netherlands	39·7	47·7	8·8	9·7
Norway	43·8	47·0	9·0	13·4
Switzerland	26·8	25·6	9·7	6·0
Eight others in this issue	25·8	37·0	7·1	8·1
Soviet countries	5·8	10·5	·3	8·6

CANADIAN IMPORTS

			Jan.-Feb.	
	1954	*1955*	*1955*	*1956*
Total	179·7	204·6	19·7	30·3
Belgium	25·1	29·1	2·8	4·5
France	22·0	25·0	2·8	3·4
West Germany	44·5	55·6	4·6	9·9
Italy	15·0	18·5	1·7	2·3
Netherlands	22·6	21·0	1·9	2·3
Norway	2·0	2·4	·3	·2
Switzerland	19·2	19·4	2·1	3·1
Eight others in this issue	25·0	28·3	2·8	3·7
Soviet countries	3·8	4·8	·4	·8

A check list showing how European countries have liberalized dollar and OEEC imports appears on page 35. This list shows that Austria, Finland, France and Portugal have implemented their first postwar dollar import liberalization measures in the period under review. Denmark, Italy and Sweden expanded their lists of liberalized dollar imports. The Norwegian Government announced recently that it will probably carry through a similar measure in the near future.

Dollar import liberalization has undoubtedly facilitated the increase in dollar imports into Europe. Another important stimulus is a strong demand by European industries for dollar raw materials. Many Europeans also find that the dollar countries are their best and cheapest source of many manufactured goods which have become scarce in Europe.

Customs Tariff Reductions

The June 9 issue of *Foreign Trade* carried a report on the results of the tariff negotiations which have just been concluded at Geneva under the General

Some European countries have also reduced their tariffs temporarily to lower prices of imports. West Germany and Italy are among the chief exponents of this policy.

Canada's Trade with Europe

Canadian exports to Europe increased from $350 million in 1954 to almost $390 million in 1955. Another significant increase took place in the first three months of this year—to $96 million compared with $73 million a year earlier. Apart from the United States, Europe is the only geographical area to which Canada increased its exports significantly in this period. Imports from Europe also rose—from $180 million in 1954 to $205 million in 1955. Another $10 million increase occurred in the first two months of this year compared with the same period last year.

Excluding wheat, Canadian exports to the 14 European countries which this issue covers, and West Germany, increased even more—from $215 million in 1954 to $272 million last year, as shown in the following table.

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CANADIAN EXPORTS

(in millions of dollars)

	1954	1955	Jan.-March 1955	Jan.-March 1956
15 European countries—total....	335·6	371·8	71·8	87·0
15 European countries—excluding wheat	214·6	272·4	47·2	59·3
Soviet countries—total	5·8	10·5	·3	8·6
Soviet countries—excluding wheat	5·8	7·1	·3	1·3

This reflects the increasing European demand for Canadian industrial materials and, to some extent, for manufactured goods, and also the good wheat harvest in Europe in 1955. In 1956, exports to Europe of commodities other than wheat continued to mount, while wheat exports also increased. Over $7 million of this amount represents shipments of wheat to Poland. The sale of 15 million bushels of wheat to the U.S.S.R. under the trade agreement which came into force on February 29 does not yet appear in statistics, nor are the recent wheat sales to Czechoslovakia, Hungary and Poland yet reflected.

Outlook Good

It is unlikely that European production can increase this year at the rate which it reached in the three earlier years, in view of the present full employment and full use of industrial capacity. It is also possible that the rise in gold and dollar holdings may taper off. However, there appears to be no general threat to European economic expansion in the near future. A growing volume of imports will be required, many of which will probably be purchased from dollar countries. Conditions for Canadian exports which are competitive in price are increasingly favourable. Although some European countries are still retaining controls on many dollar imports, liberalization is progressing steadily. The European market offers many Canadian exporters as good (if not better) possibilities as last year. Europe is, more and more, a market worth keeping in mind.

AUSTRIA

Purchases from U.S. and Canada still limited to narrow range of essential goods, to conserve dollar holdings. Proportion of trade with East European countries down to 10 per cent compared with 40 per cent prewar. Industrial raw materials main imports from dollar area.

W. VAN VLIET, *Commercial Secretary, Berne.*

APPREHENSION OVER an excessive drain on foreign exchange holdings has lessened as Austria approaches the second half of 1956. Exports in the initial months of this year have increased slightly and the deficit on trading account has decreased. Deliveries of commodities to the U.S.S.R. under the terms of the State Treaty have proceeded according to schedule, thus avoiding the need for settlement in dollars. Tourist earnings continue to mount.

The economy is close to capacity production, with both plant and labour force virtually fully employed. A slight upward movement of prices still prevails but it is held in check by a continued control on credit both at producer and consumer levels. Capital for the development of basic industry is still short. The World Bank has recently approved in principle a loan of $31 million for hydro-electric developments, thus bringing to $53 million the amount from this source. The textile industry has not shared in the increase of production in Austria in recent years—with certain exceptions, however, such as the embroidery industry.

Dollar Imports Restricted

Commodity liberalization stands at 90 per cent for private imports from member countries of the OEEC and 8 per cent for imports from the dollar area. The agricultural sector, however, retains controls to a large degree. The freed dollar imports are confined largely to industrial raw materials; the notable exception is automobiles. For the remainder of the year, Austria will probably continue to limit purchases from Canada and the United States to a narrow range of essential commodities in order to conserve dollar holdings. The April 14, 1956, issue of *Foreign Trade* elaborates upon the economic and trade position in the country.

Prewar Austria conducted up to 40 per cent of its foreign trade with East European countries, but in recent years this proportion has not exceeded 10 per cent either for imports or exports. Austria has thus had to locate alternative sources for the foodstuffs and industrial raw materials which were its main imports from this area. It has also had to find markets to absorb its manufactured goods. The Austrian success is evident from the fact that exports and imports now run at considerably higher levels than in 1937, even taking into account currency depreciation since that time. The change has, however, created problems which have a direct influence on Austrian foreign trade policy.

AUSTRIA'S REGIONAL FOREIGN TRADE

	Imports		*Exports*	
	(percentage)			
	1955	*1954*	*1955*	*1954*
OEEC countries (incl. territories)	69	70	68	68
East Europe (excl. Yugoslavia and Finland)	9	9	10	9
United States and Canada	12	10	5	5
Other American countries	4	4	5	5
Other	6	7	12	13
Total	100	100	100	100

Approximately 20 per cent of Austria's trade is now carried on with non-European countries—almost entirely a postwar development. With the exception of traditional world exports such as uncut stones, certain handicrafts and lace, Austrian export manufacturers previously had practically no experience in markets such as North and South America, the Far East and Africa. Now the country is making efforts to develop sales of diversified industrial goods, including both consumer and heavy industry products, to these areas and is meeting the competition of countries already established in these markets. The extension of considerable credit by various major exporters creates conditions Austria has not been able to meet financially. The need to obtain industrial raw materials is basic to its efforts to expand sales to dollar countries. Relaxation of controls also bears a direct relationship to Austrian success in marketing its products in the dollar area.

Austria is keenly interested in reviving its trade with the neighbouring East European countries but the limitation is the fact that these countries now lack the raw materials which Austria traditionally bought from them.

The Dollar Area

Austrian imports from the United States and Canada totalled US$103 million in 1955 compared with exports of US$37 million, leaving a deficit on trading account of US$66 million. On both sides, a narrow range of commodities is involved; North America buys mainly consumer goods with a high labour content, whereas Austria tends to buy largely raw materials.

AUSTRIAN IMPORTS BY COMMODITY SECTORS, 1955

(percentage)

Commodity Sector	*Canada*	*United States*	*All Imports*
Food	63·8	32·5	18·7
Drinks and tobacco	0·1	3·6	1·4
Raw materials	29·3	16·8	15·5
Fuel	.....	29·3	13·0
Vegetable oils	.....	1·5	2·1
Chemicals	1·5	2·1	6·3
Semi-finished products	4·7	5·5	17·3
Machines and vehicles	0·5	7·6	21·9
Finished goods	0·1	1·1	3·7
N.O.P. goods	.....	.....	0·1
Total (percentage)	100	100	100
(US$ million)	9·3	93·5	887·2

Despite the restrictions and the relatively low proportion of semi-manufactured and fully manufactured goods imported from dollar countries, the United States is doing business in a wide variety of such commodities. Imports of chemicals, leather, rubber goods, as well as automobiles and machines, from the United States are substantial.

Canadian exports to Austria consist mainly of grains and base metals, together with small quantities of consumer and manufactured goods. Austria has accepted the United States offers of surplus grains and other agricultural commodities in local currencies this year to the extent of $22·3 million, thus increasing competition in this market.

Tours of Territory

D. B. LAUGHTON, Canadian Trade Commissioner in Port-of-Spain, Trinidad, will tour British and Dutch Guiana for ten days, beginning in the second week of July.

A. P. SAVARD, Commercial Secretary in Bogotá, Colombia, will visit the two principal cities of Ecuador—Quito and Guayaquil— from June 17-29.

M. P. CARSON, Trade Commissioner in Singapore, will visit Sarawak, Brunei, and North Borneo July 1-12 and Rangoon, Burma, and Bangkok, Thailand, July 25-August 7.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

BELGIUM

Increasing export trade, surplus in balance of payments, and greater purchasing power in domestic market features of Belgian business picture in 1955. Substantial trade with Canada maintained, with gap between our exports to and imports from Belgium narrowing.

THEO J. MONTY, *Commercial Counsellor, Brussels.*

THE BELGIAN MINISTRY OF ECONOMIC AFFAIRS recently published its report on developments in that country during 1955—a report that goes into detail about the expansion which took place during the year. The introduction points out the difference between the cycle of 1950-51 (largely the result of the Korean war) and conditions of expansion in 1954 and 1955. It also points out the disparity between conditions in Belgium and developments abroad, where the abundance of credit and the pressing demand for consumer goods have created inflationary pressures which have not been so noticeable in Belgium.

The economic expansion which dated from the end of the recession of 1953 was very marked abroad but somewhat delayed in Belgium. Production capacity was available both in plant and labour, and with the abundance of available raw materials (many of them imported) expansion went forward without undue strain. The internal market did not create the same pressures as it did in certain other countries. None the less, it influenced the growth of some important Belgian industries such as steel, metallurgy and cement. Their new records of production, however, resulted mainly from export demands. Although special legislation encouraged investment, it did not increase to any great extent.

Economy Stimulated

In the domestic market, instalment purchases increased from 5 million francs at the beginning of 1955 to 7 million francs in December. However, this increase represented only 2 per cent of the national revenue. A large part of it consisted of credits for the purchase of motor cars, automotive equipment, buses, trucks and agricultural machinery; a minor share covered household equipment and consumer goods.

Export trade has been the principal stimulus to the Belgian economy. In 1954, imports exceeded exports by some $240 million. During 1955, however, the value of exports went up by 21 per cent, compared with an increase of only 11 per cent in the value of imports, thus narrowing the gap and reducing the deficit in the balance of trade to $60 million—a drop from 12,000 million to 3,000 million Belgian francs.

Price levels were on the whole maintained, helped by a reduction in the price of agricultural products and also by government policy.

Purchasing power rose during the year, as shown by a slight increase in currency circulation. This rise was the result of several factors. The main one was a surplus in the balance of payments, with gold and foreign currency holdings up by some 5 billion francs. However, the increase was only moderate. Because of the absence of speculation and a rise of ½ per cent in the bank discount rate in August, no great problem developed as a result of this pressure.

Some Problems Persist

Though on the whole conditions have been satisfactory, there are none the less some problems. Proposed reductions in working hours will call for increased production to maintain output; certain industries, such as textiles, have shown a weakness which required special help; marginal mines in the coal industry have also received aid.

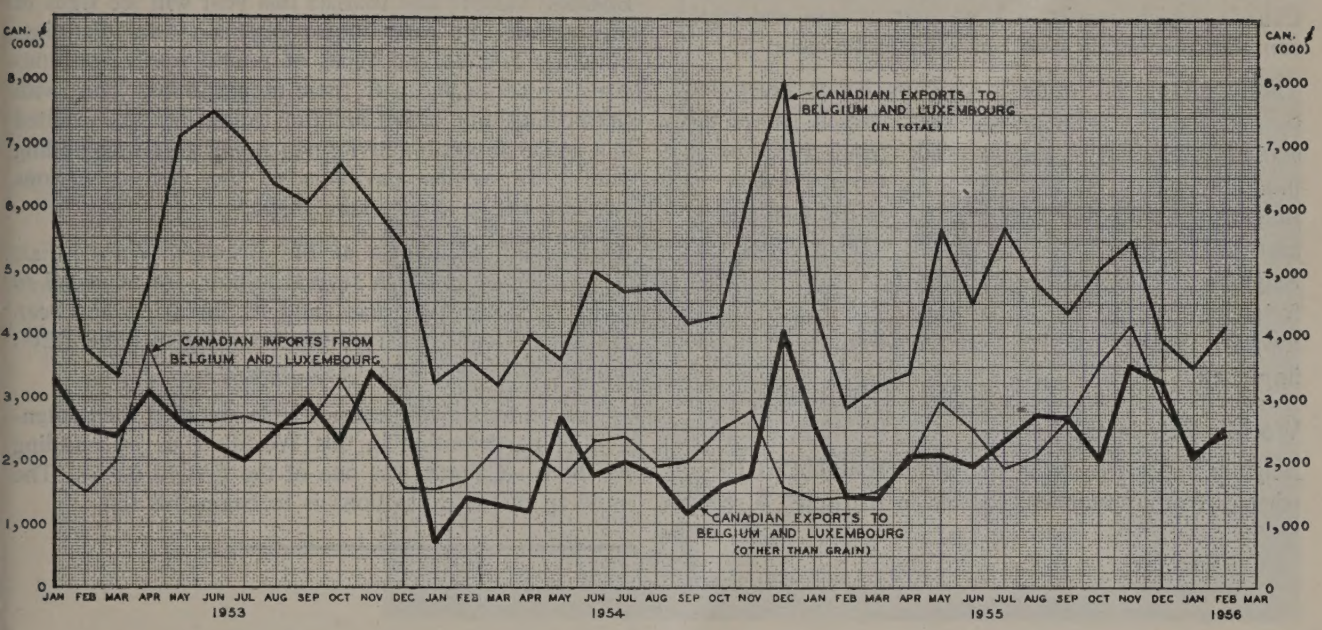
The agricultural problem persists. Surplus production is one of its aspects, but the problem is mainly caused by the price structure within the Benelux Economic Union; Belgium has had to adjust itself to the Netherlands, the other principal member of the Union.

Belgium's dependence upon foreign trade makes it vulnerable, especially to changes in its main markets —its partners in the Benelux Economic Union—which absorb a very large share of its exports. Belgium is thus watching closely any lifting of customs barriers in its foreign markets; hence also, its own free trade policies and its interest in the discussions about a European common market.

Crop Losses and Prospects

As a result of the hard winter of 1955-56 and particularly of the severe frosts in the early part of this year, considerable damage was done not only to the autumn-sown crop of winter wheat, some 50 per cent of which was lost, but also to the spring sowings. The loss of winter wheat alone is estimated at some 10 million Belgian francs.

Evolution of Belgian-Canadian Trade 1953-1956


CAN. $ (000)
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
CANADIAN EXPORTS TO BELGIUM AND LUXEMBOURG (IN TOTAL)
CANADIAN IMPORTS FROM BELGIUM AND LUXEMBOURG
CANADIAN EXPORTS TO BELGIUM AND LUXEMBOURG (OTHER THAN GRAIN)
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
1953
1954
1955
1956

There is no certainty at this stage about how the crop will be affected and what proportion of imported wheat will be required by the milling industry to maintain the desired qualities of flour. The present proportion is 65 per cent domestic and 35 per cent imported grain in the milling of flour.

Belgian purchases of Canadian wheat, which came close to some 400 thousand tons (about 15 million bushels) in 1952-53-54 compared with a domestic production of some 600 thousand tons, fell in 1955 to 285 thousand tons (10½ million bushels), when Belgium nearly halved its total average imports (805 thousand tons in 1952, 464 thousand tons in 1955) as a result of a good high-quality crop. (These are Belgian statistics; Canadian figures show sales to Belgium in 1955 of about 12½ million bushels.) It is probable that, as a result of the damage, imports of Canadian wheat may be increased this year in order to make up for the losses both in quality and quantity. On the other hand, Belgium has not expressed any wish to increase its commitments under the new International Wheat Agreement, thus indicating its desire to maintain and increase its production of wheat in the future.

As with wheat, all other grains suffered some damage, the estimates ranging from 11 per cent for rye to nearly 50 per cent for barley and over 50 per cent for clover, etc. Total winter sowings amounted to 290 thousand hectares and damage was done not only to cereals but also to field crops. The destruction varied in different parts of the country.

The trends in trade between Belgium and Canada for the last three years are shown in the following table:

BELGO-CANADIAN TRADE (BELGIAN FIGURES)

(in millions of dollars)

	1955	*1954*	*1953*
Imports from Canada	49·7	49·8	58·1
Exports to Canada	28·9	24·0	30·7
Total	78·6	73·8	88·8
Balance for Canada	20·8	25·8	27·4

BELGO-CANADIAN TRADE (CANADIAN FIGURES)

(in millions of dollars)

	1955	*1954*	*1953*
Exports to Belgium	53·4	55·0	69·5
Imports from Belgium	29·0	25·0	29·0
Total	82·4	80·0	98·5
Balance for Canada	24·4	30·0	40·5

(The difference between Belgian and Canadian figures is accounted for mainly by transit trade.)

These figures show that, in spite of diminished imports of grain, the substantial trade between the two countries has been maintained and the trade gap has tended to close.

The major part of Canadian exports to Belgium consists of cereals, which over the years have exceeded in value all the rest of our exports combined. Another interesting fact is that Canadian imports from Belgium

are considerably smaller than Canadian exports to Belgium, although this trend is declining. However, if the cereals trade is discounted, Belgium's sales to Canada, which consist in large part of iron and steel, compare favourably with our sales to Belgium.

The trend of this trade is perhaps better illustrated by the graph (Canadian statistics) which shows the evolution of our respective trade from 1953 on a monthly basis. If grain exports from Canada to Belgium and Luxembourg (BLEU) are left out of account, it is worth noting that Canadian exports to Belgium and Belgian exports to Canada have been following roughly the same trend. They diminished towards the end of 1953 and have since gradually improved.

World's Fair in '58

Belgium expects to be in the world spotlight in 1958, when a World's Fair will be held in Brussels. Already preparations for this Fair are going forward and there is considerable activity in the capital area.

Business visitors and tourists this year will see signs of this activity in road improvements, town planning, buildings and various types of public works and construction connected with these preparations. This, with the normal and active building going on, has resulted in a rather feverish activity which will go on expanding into 1957 as the pavilions of the various nations participating gradually take shape.

Anticipated attendance at the Brussels World's Fair is 35 million, of which several million are expected to come from the Americas, and its financing has been assured by loans and credits amounting to some 1,200 million Belgian francs ($25 million).

A large number of countries have signified their intention of participating in this World's Fair by building pavilions—Canada was one of the first to do so. The building of these pavilions is to begin this fall.

DENMARK

About 55 per cent of Danish imports from dollar countries now on free list and opportunities for Canadian suppliers brighter. Bulk raw materials have best chance in this market, but other products finding Danish buyers. Economic situation of country improved.

C. F. WILSON, *Commercial Counsellor, Copenhagen.*

WHAT ARE THE CHANCES of doing business with Denmark? How are conditions there? What do the Danes buy from Canada? What are the prospects for particular products? What can Canadians sell to the Danes that they are not buying now? These are the questions many Canadian firms have been asking—and new business has resulted because of these questions.

Prospects for doing business with Denmark have grown perceptibly brighter over the past year. On three occasions during 1955 the Danish authorities extended the "free list" of commodities for which import licences are no longer required from any source. By the end of 1955 it was estimated that commodities representing 55 per cent of Denmark's total imports from dollar countries in 1953 were now on the free list. These trade liberalization steps—which also have the effect of admitting freely from dollar countries certain products which had been freed earlier from OEEC sources—were taken concurrently with measures adopted by the Danish Government early in 1955 to correct Denmark's foreign exchange deficit, particularly in its EPU accounts. Adjustments were made in the fiscal and taxation fields rather than by restricting imports. The desired results became apparent by September 1955 and the improvement continued until a series of strikes again resulted in a dip in foreign exchange reserves in April.

The severe weather in January and February, together with the fiscal measures in effect, brought some additional unemployment after the beginning of the year. By March, the biennial wage negotiations led to strikes in certain key industries. Fortunately, the severe weather did very little damage to Danish crops which

The Stock Exchange, completed early in the 17th century, still adorns Copenhagen. It houses the Merchants' Guild, Denmark's Chamber of Commerce.

had a satisfactory snow cover. The strikes which ended in April did not affect production and exports more than temporarily.

Import Pattern Changing

One of the significant trends is the extent to which non-agricultural exports are catching up with agricultural products which are the traditional mainstay of Denmark's export trade. Overall export trade for the first quarter of 1956 was slightly better than a year ago. However, farm products dropped from 60 to 55 per cent of the total; industrial exports expanded from 36 to 40 per cent. As industrial exports rise, the demand for imported raw and semi-processed materials increases, because in many cases Denmark's industry is based on the conversion of imported materials.

Import Regulations Outlined

With the improved prospects for trading with Denmark, Canadian businessmen want to know about import regulations covering their products. Specific answers can be obtained from the International Trade Relations Branch of the Department of Trade and Commerce or from the Commercial Division of the Canadian Embassy in Copenhagen. Here is an outline of the regulations which indicates the general framework and can serve as a rough guide, although specific inquiries are recommended, rather than depending upon a general summary.

There are five Danish lists for purposes of import regulations.

List A—Primarily a list of fully manufactured commodities of types made in Denmark for which import licences are required and are not normally granted if the goods originate in dollar countries. Even for items on this list, however, it is worthwhile to make a specific inquiry to establish whether import licences for Canadian goods might be granted upon individual application. Licences are sometimes granted if it can be demonstrated that the Canadian product is offered at a significant price advantage or has some unique and desired characteristic not available in competitive products.

List B—The free list of items for which no import licences are required from any source. Items on this list may accordingly enter Denmark freely from Canada. The list comprises items essential to the Danish economy which are, generally, not produced in Denmark and which are either not available in sufficient quantities in EPU countries, or are available in dollar countries on more favourable terms. It includes mainly raw materials and a fairly wide list of semi-processed products for further manufacture in Denmark.

List C—The regional free list for which import licences are not required if the products come from EPU countries. The items are similar to those in list B in their degree of manufacture, etc., but they are, as a rule, in adequate supply from EPU sources. In this case also, it may be that an import licence for a Canadian product will be granted if price and quality are exceptional.

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List of goods for which licences are freely issued—This is a list primarily of electrical items, telephone equipment, etc. Import licences are required but they are granted freely for imports from any source.

List of goods for regional free licence issuance—A similar schedule of goods for which import licences are required and will be granted freely if the products are imported from any EPU country.

A glance through statistics in Canada's trade with Denmark shows the types of commodities which are already finding a market there. Exports from Canada in recent years have featured the following: rye grass and other seeds, canned fish, hides and skins, skim milk powder, planks and boards, fish nets, farm implements, machinery and parts, office machines and other machinery, automobile parts, tires, copper and nickel, radio and electrical apparatus, asbestos, cellulose products, synthetic fibres, fire brick, synthetic resins, paints and varnishes, polystyrene, drugs, chemicals and whisky. Since Denmark's liberalization of dollar imports, there has been a significant increase in Canadian shipments of flaxseed and sparkplugs. Total exports have been running at the level of about $3 million a year and there could be a slow but steady buildup in these items.

Opportunities for Canada

The best hope for substantial Canadian trade with Denmark, however, lies in the bulk raw materials which the Danes need. For example, in years past Canada has exported modest volumes of wheat and feed grains to Denmark. For the past two years purchases of Canadian wheat and feed grain have almost ceased because of competition involving special terms of payment offered by other countries. At present, however, the Danish authorities are prepared to grant import licences for Canadian wheat and some of this trade could be revived. Moreover, for the first time since the war, licences up to certain limits are being granted for imports of wheat flour from any source, including Canada. Canadian millers need simply to find buyers again after a long absence from the market.

Denmark has virtually no fuel resources and the need for imports of coal and petroleum products is very real. Because of the United Kingdom's declining exports of coal, Denmark has had to seek fresh sources of supply and has bought from Poland and the United States. Canadian coal at a competitive price could find a market here. When the St. Lawrence Seaway provides easier access to Canadian petroleum supplies, they could probably compete in the Danish market too. Such trade is not only worth securing as opportunities improve, but might well repay the work required to get it under way.●

FINLAND

Canadian sales to Finland doubled in 1955 with wheat well in the lead. Finnish economy prospered; production and exports rose. Import restrictions relaxed during year—first on soft currency and later on dollar goods.

L. A. CAMPEAU, *Commercial Secretary, Stockholm.*

THE YEAR 1955 found Finland prospering, with net national production up some six per cent over 1954, trade booming, and exports increasing. The liberalization program meant that Finnish importers, for the first time in years, were able to exercise some freedom of choice over where to buy, thus bringing competition back to this market. The farmers, however, found themselves in a difficult position because the unfavourable weather resulted in a poor agricultural yield, and producer prices of agricultural products were raised to compensate them.

The Forest Industries

Activity in the forests, on which so much of Finland's industry is based, has moved at a brisker pace than in the previous season. Higher wages have apparently played some part in stimulating lumbering but so far it is not possible to say whether last season's record production will be equalled. Sales of forest products moved rather slowly in the fall; buyers and sellers both were cautious and had difficulty in reaching agreement on prices of raw timber for industry.

● *Pulp*—Total production of mechanical pulp in 1955 reached over 900 thousand metric tons, about 10,000 tons less than in 1954. Chemical pulp output touched a new high of 1,826,000 tons, of which over 1,100,000 tons were exported (about 61 per cent sulphite pulp, and 39 per cent sulphate). No new wood pulp mills have been built since the war but existing plants have been enlarged. In 1950 the chemical pulp industry's production capacity totalled about 1·4 million metric tons a year; in 1955 it reached over 1·8 million, and when extensions are completed will total over 2 million metric tons a year. The sulphate industry is expected to account for one million tons and the sulphite indus-

try for 1,050,000 tons by the end of 1956. The sulphite industry, however, is still 100 thousand tons below its prewar capacity, because certain plants were lost to Finland under the peace treaty.

• *Newsprint*—Two new newsprint mills have been built, bringing total capacity to about 630 thousand tons a year. This will probably rise within a few years to 800 thousand tons.

• *Kraft Paper*—New mills have brought kraft production to a total of 210 thousand tons a year, compared with only 72,000 in 1950.

• *Paper Board*—Production of paper board has reached 310 thousand tons a year, up from only 170 thousand tons in 1950.

A recent survey confirms the view that there is still room for expansion in Finland's forest industries, and sufficient raw material to support it. Present annual growth, the survey shows, is nearly 46 million cubic metres without bark. The forest industries consume about 20 million cubic metres a year, or 45 per cent of annual regrowth. Of the remainder, about 12 million cubic metres are used by the rural population for fuel and by the railways, and about five million cubic metres exported. Particular attention is being given to the use of thin pine wood, mainly in the sulphate industry.

Foreign Trade Flourishes

Finland's foreign trade in 1955 was marked by increases in both exports and imports. Imports, valued at 176,960 million marks, came close to the record of 1952; exports totalled 181,259 million marks. The export surplus thus reached 4,299 million marks, compared with a surplus of 5,636 million in 1954.

The following table shows Finland's trade with her main trading partners and with Canada in 1955 (in million Finnish marks):

	Imports		*Exports*	
	1955	*1954*	*1955*	*1954*
United Kingdom	35,865	28,600	43,503	35,170
U.S.S.R.	26,045	27,700	31,705	33,720
West Germany	15,874	10,150	16,521	11,580
Canada	188	92	82	144

The table reveals a rise in West Germany's and Britain's trade with Finland, and a decline in the Soviet share of Finnish trade.

Until 1955, imports into Finland from all sources required a licence. In July and November of that year, lists of goods were drawn up for which import licences are being granted automatically from soft currency countries, provided that prices, quantities and qualities are reasonable. At the end of December the Finnish authorities further increased the number of liberalized goods.

Moreover, a separate list was established at that time showing products which may be imported against payment in any currency, including dollars. The commodities which may be imported freely from Canada and from other dollar countries include chemicals, pharmaceutical preparations, mineral blacks, colours, certain textiles, surgical and dental instruments, various non-ferrous metals, ball and roller bearings. (See notice in *Foreign Trade* of February 4, 1956.)

Trade with Canada during 1955 was characterized by a considerable increase in our sales to Finland—imports from Canada more than doubled compared with 1954, rising from 92 million to 188 million marks in value. Finnish exports to Canada, on the other hand, declined to 82 million from 144 million marks in 1954.

Principal Canadian exports to Finland (Canadian figures) included wheat ($936 thousand), clover seed ($240 thousand), pulp and paper machinery ($86,000), calculating machines ($59,000), sulphate pulp, ($56,000), gas engines ($51,000), drugs and chemicals ($48,000), non-ferrous metal manufactures ($28,000), power saws ($19,000) and mining machinery ($11,000).

Outlook Favourable

Industrial production, it is expected, will continue to expand, though not at the 1955 rate. Despite difficulty in selling certain goods such as plywood and prefabricated houses, the trading outlook is good, though rising production costs may affect sales abroad. If imports, however, continue to increase at roughly the present rate, aided by further liberalization measures, the modest export surplus of recent years will probably disappear.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

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FRANCE

Last two years have brought industrial expansion and prosperity, plus some liberalization of trade with dollar countries. But chronic deficit on dollar account restricts openings for Canadian goods, though opportunities exist in certain lines.

R. CAMPBELL SMITH, *Commercial Secretary, Paris.*

FOR FRANCE the last two calendar years stand out as a period of expansion and prosperity, combined with relative stability of prices. During this time, in fact, business conditions were probably as good as France has known in the last thirty years.

In the first five months of 1956 the lively pace of industry and business has been maintained, except for a slight lag in building materials and basic chemicals. Even the disastrous frost in February barely made an impression on the economy generally. In March, the index of industrial production reached a record level.

Inflationary Tendencies

In these pages (see *Foreign Trade* for February 18, 1956), French business in 1955 was described as booming . This fateful word had its place, for warning signs were beginning to appear by the turn of the year and have since become more menacing. In addition to internal troubles incipient in the final quarter of 1955, several external developments have appeared which cloud the short-term economic outlook.

Since last September the cost of living has been rising steadily; so have wholesale prices and wages. One of the few general price indices which has remained relatively stable is that for imports. Inflation, which was held in check for two years, is rearing its head slowly but surely. This has aggravated France's export problem by diverting more goods to the domestic market. At the same time industrial expansion has stimulated the demand for imported raw materials and has created dislocating shortages.

The external factors which have made their appearance in recent months will also influence business trends in France. Frost damage wiped out 50 per cent of the area seeded to winter wheat; however, barley sowings are at a record level.

Last year's wheat exports of 97 million bushels will be replaced by a substantial net deficit, against which it is estimated there will be about 35 million bushels of barley for export, compared with less than two million bushels last year. Of the reduced rapeseed sowings this year (100 thousand acres as against 175 thousand a year ago), three-quarters have been affected by frost in some degree.

The political unrest in Algeria has not only increased military expenditure but, as a result of the call-up of 150 thousand reserves, has also drained off trained French workers who are badly needed. The exodus of many North African labourers from France is also producing some manpower shortage.

Recent legislative measures have put additional burdens on taxpayers and employers—for example, the new old-age pension scheme, the extension of paid holidays from two to three weeks, and the raising of minimum wages. The extent to which these measures may force up production costs and increase the supply of money cannot be predicted. The existence of these imponderables must nevertheless lead to more cautious planning by business.

Finally, the Government's external trade policy, with particular reference to the freeing of more imports from OEEC countries, (now at a level of 82 per cent and expected shortly to be brought up to 84 to 85 per cent) and to its decision to reduce, and eventually eliminate, assistance to exporters (consisting of rebates of social security charges and fiscal taxes on goods sold abroad) is progressively intruding into the calculations of some industries, especially textiles and tractors.

Government Measures

The French authorities have been extremely wary of the inflationary symptoms and are taking remedial action. The chief source of trouble is the budget deficit. Last year's expenditures of $10·4 billion exceeded revenues by $1·9 billion and the Minister of Finance has introduced new tax measures in a resolve to close the gap. However, in addition to the difficulty of finding new tax sources, he is confronted with extraordinary military expenditures in Algeria and losses of revenue resulting from emergency measures to limit increases in food prices, following the February cold snap. It is considered that, at best, the Minister can hope only to succeed in keeping the deficit at last year's figure—a level comparable to that of previous years.

Importing Dollar Goods into France

The following, in descending order of importance in terms of volume, are the various means by which dollar goods are admitted into France:

1. IMPORTS REQUIRING NO IMPORT LICENCE:

All goods liberalized January 3, 1956. Those of chief interest are: selenium; aluminum, iron, nickel and copper oxides; isotopes; raw furskins; pulpwood; veneers; wood pulps; copper foil; aluminum foil, wire and cable; ball, roller or needle bearings; combines (over 16-foot sweep) and rice combines; tractors (of 200 drawbar h.p. and over); publications; spare parts, except automotive.

2. IMPORTS REQUIRING IMPORT LICENCES *but for which quarterly dollar allocations are substantial. The allocations of chief interest are for:*

Materials—Copper; synthetic rubber; asbestos; flaxseed; newsprint; synthetic resins; plastic stabilizers; colour film; butyl; abrasives, crude; sulphur; carbon black; special and stainless steel; nickel; zinc concentrates; raw calfskins; lumber; special papers; vegetable drugs; stellite; cobalt alloys; special tires.

Equipment—Agricultural machinery and equipment; pulp and paper machinery; printing machinery and equipment.

3. IMPORTS FOR WHICH IMPORT LICENCES ARE GRANTED UNDER SPECIAL OPERATIONS SANCTIONED FROM TIME TO TIME BY THE ADMINISTRATION. *These operations are various but the most important are:*

(*a*) Equalization (or "Perequation") Operations

For consumer goods and durables (including foodstuffs) such as radios, domestic appliances, boats, canned and frozen salmon, whisky. Special "equalization" levies of 20 per cent and up are applied to such imports.

(*b*) Compensation Operations

Authorized for individual barter-type transactions and for the import of materials for further processing and re-export.

(*c*) EFAC Account Operations

For imports of any materials or equipment. French manufacturers may retain 15 per cent of dollar export earnings with which they are authorized to purchase dollar goods for their own use.

4. OTHER IMPORTS AUTHORIZED FOR SPECIAL IMPORT LICENCES.

5. TRADE FAIR QUOTAS

For any dollar goods displayed at French fairs, on the basis of $70.00 per square metre of exhibit space (see Foreign Trade, *February 18, 1956). This is an effective channel for introducing equipment or goods new to the French market or for determining sales prospects.*

Some of the pressure of shortages has been met through a rise in imports in the first part of the year.

IMPORTS INTO FRANCE

(in million dollars)

Origin	*First Quarter 1956*	*First Quarter 1955*	*Third and Fourth Quarters 1955 (Average)*
OEEC area	486	427	476
Other currency areas	327	294	285
French franc area	316	283	285
Dollar area	149	127	140
Total	1,287	1,131	1,186

The buying splurge (accompanied by a reduction in exports) has produced a sharp change in the country's trade balance—from a surplus of $35 million in the first quarter of 1955 to a deficit of $186 million in the same period of this year. Gold and dollar reserves at March first stood at about $1·88 billion. Deficit trading can accordingly be financed for some time, but within obvious limits.

Dollar Liberalization

For the first time since prewar days, there has been a relaxation of controls on imports from the United States and Canada. At the beginning of the year import controls were lifted on 274 items; Canadian exports affected were mostly raw or basic materials. Further details are given in a separate report on page 35.

This is a hopeful sign for Franco-Canadian trade but one must not lose sight of the fact that France has a chronic deficit on dollar account. Last year on visibles alone it amounted to $258 million with the United States and to $37 million with Canada. Direct American dollar aid, which came to $615 million last year, is expected to be cut to as low as $250 million this year. On the other hand, French efforts to increase dollar export earnings are not so far yielding sufficient

results to allow the French importer genuine freedom in buying commercial dollar goods. Such purchases are still limited to raw materials, equipment and spares which are indispensable to the country's industry and economy. An analysis of the items in the dollar liberalization list and import programs demonstrates this. The free list includes no items in which there is any serious risk of runaway buying. One possible exception is raw furs, sales of which have exceeded official expectations since they were put on the free list on January 3rd.

A tight rein is still kept on the general level of dollar buying, basically for balance of payments reasons but keeping in mind at the same time the growth of French industrial independence. Phenomenal changes have occurred in the industrial make-up of France since the war. Its automobile output ranks third in the world, the textile industry (employing 700 thousand people) is recovering, the building materials sector is thrusting ahead, and a major complex of petrochemical and plastics producers has come into being in less than five years.

Primary industrial materials and special equipment from North America will be needed to service French manufacturing development but not if they can be produced in French territory or in soft currency areas. American and Canadian firms are aware of this and several have established production arrangements here.

Canadian exporters of goods which cannot be clearly classed as having high economic priority can fortunately still test the French market or make occasional spot sales by using one of the various import schemes described on page 13.

Outlook for Future Trade

The French is one of the world's leading economies, founded on important resources and growing in strength. It may be entering a difficult stage but adjustments are inevitable after a period of such spectacular industrial development.

Canadian and French external trade are not complementary on the whole but France's expanding industry should provide an outlet for basic industrial materials of the type that Canada produces. For exchange reasons, Canadians cannot expect, however, to find a regular market for manufactured goods and will have to probe for openings and take fullest advantage of the various opportunities that present themselves from time to time. The Canadian chemical industry, for example, has begun an intensive exploration of this market and, under the auspices of the Department of Trade and Commerce, is organizing a joint display of chemicals, synthetic rubbers and chemical pulps at the major French chemical exhibition in Paris next November. ●

GREECE

Almost complete freedom from import restrictions makes Greece one of most competitive markets in Europe. Canadian sales to Greece have trebled in three years; some companies have succeeded in selling on tender to various Greek agencies. Credit terms and delivery dates important factors in increasing business in this area.

A. B. BRODIE, *Commercial Secretary, Athens.*

BUSINESS CONDITIONS IN GREECE appear to be better now than at any time since the war and dollar exchange continues to be readily available. A severe shortage of working capital, however, is affecting credit terms which exporting firms must be prepared to offer if they wish to sell in this market. The outlook for agricultural production is favourable and the balance of payments for 1955 improved over 1954.

Trade Deficit Smaller

Greek imports during 1955 reached $382 million ($330 million in 1954) against exports of $183 million ($152 million in 1954). The increase in imports over 1954 has resulted to a large extent from the prevailing system of freedom from restrictions under which practically all imports, except wheat and flour and a very few others, are admitted freely; and also from general prosperity. This trade liberalization was introduced following the devaluation of the drachma in April 1953.

The deficit in the balance of payments for the year 1955 amounted to $48 million ($68 million in 1954). This decrease reflected the increasingly favourable balance of invisible items and particularly a larger tourist trade (a record number of almost 200 thousand in 1955) and more emigrant remittances.

The gap in foreign payments was once more bridged by foreign exchange derived from foreign aid ($60 million for the fiscal year 1955-56). The gold and foreign exchange reserves increased during the past

year and now exceed $185 million—equivalent to six months' outflow of foreign exchange for imports.

Interest Rates Raised

In an attempt to ease the money situation and to assist industrial development projects and trade, the Government has just announced new measures. These include higher interest rates to attract new savings deposits, coupled with a lottery feature and tax exemption, and other financial arrangements intended to provide greater funds for industrial development. The legal maximum rates of interest payable on savings bank deposits have been increased from 7 to 10 per cent for deposits of up to 100 thousand drachmas ($3,333) and to 8 per cent for deposits between Drs. 100 thousand and 200 thousand ($6,666).

The success of this new drive for deposits will depend upon a renewed faith in the stability of the currency on the part of the public, who have either been hoarding gold sovereigns or engaging in private lending. The increase in bank deposits in 1955 of Drs. 800 million over the Drs. 4,000 million level at the end of 1954 has not proved adequate to meet the demand for money. The result is that open market interest rates for money loans have continued to remain at the high rate of over 2 per cent per month. Bank deposits are still very small considering the tempo of business and this is the crux of the problem of shortage of funds for bank loans.

Greek Trade with Canada

The almost complete freedom from import restrictions makes Greece one of the most competitive markets in Europe. Many varieties of goods, from luxury products to small household wares, from foodstuffs to machinery, and from raw materials to finished products continue to flow into Greece from practically every country without restrictions or discrimination. This fact presents a unique challenge to Canadian exporters to expand their business or to introduce their products into this market for the first time. Under this liberal import regime, Canadian exports have trebled in value in less than three years, reaching $4·3 million in 1955 ($2·5 million in 1954 and $1·5 million in 1953). More and more Canadian commodities are entering the Greek market and particularly those goods which can meet the current stiff European competition. Our 1955 exports to Greece might have been somewhat larger had some of the Canadian firms been prepared to grant the same (or better) credit terms than those granted by most European suppliers.

Canadian commodities reaching Greece either for the first time or after a long absence from this market included: nitrogenous and phosphate fertilizers, bleached sulphite pulp, horsehair, calfskin, cattle hides, drilling equipment, elastic yarns, plywood, battery parts, fountain pens, red iron oxide, pigment, and synthetic resins other than polystyrene. All these were imported through private trade channels except iron oxide pigment and chemical fertilizers, which were purchased by state tenders. It is also interesting to note that 1955 imports into Greece of Canadian rubber tires, space heaters, flaxseed, certified seed potatoes, refractories, furskins and washing machines increased over 1954.

Greek exports to Canada rose slightly during 1955, reaching $280 thousand ($231 thousand in 1954). The pattern of trade remains about the same with olives, tobacco, wines, sponges, pickles and dried figs making up most of the total. More interest has, however, been expressed by Canadian importers in attractive Greek handicrafts (dolls, ceramics, woven goods, metal jewellery and the like). Greek exports of these handicrafts may become more important in the future.

Buying by Public Tenders

In addition to regular private trade, substantial business is placed by state agencies, public utility companies, municipalities and co-operative organizations, using public tenders. The list of goods bought in this way includes a large variety of capital goods as well as certain raw materials and finished products.

A Greek tobacco grower's family turns to and helps in the important job of drying the leaves. Tobacco earns more foreign exchange for Greece than any other product; exports reached 55,000 tons in 1955, including some to Canada.

Trading with Greece . . .

If you are exporting to Greece, the following points should be borne in mind:

- *The appointment of an exclusive agent for the whole of Greece is a must. It is the practice for Greek importers to place their orders with commission agents. The Trade Commissioner can suggest responsible firms to act as agents.*
- *Correspondence should be carried on in English or in French, and correspondence from Greek firms answered promptly, by airmail.*
- *Greece is a "price" market and low-priced offers are always interesting. European competition is severe and credit terms are generous.*
- *Weights should be in kilos and metric tons (2,204 lb.).*
- *Goods should not be shipped to the Greek market under any circumstances unless an import licence has been granted to the buyer. In practice, licences are issued freely for most imports.*
- *Ascertain the amount of cash deposit or bank guarantee which the importer must make at the time of receiving an import licence. (This varies—according to Greek regulations—from 3 to 100 per cent, depending on the essentiality of the commodity.)*
- *Complete shipping documents in close co-operation with Greek agents. Failure to comply with Greek practices and specifications may lead to a serious financial loss.*
- *Keep your agent fully advised on the regular shipping services from Canadian ports to Piraeus.*
- *When you are visiting Europe, find the time to extend your trip to include Greece.*
- *Don't hesitate to call upon the Trade Commissioner for advice before shipping to an unknown firm.*

The State Procurement Service of the Ministry of Finance is the principal bureau that carries on state purchases. The Procurement Service of the Ministry of Commerce buys wheat, seed oils, frozen meat and sugar, as well as certain foodstuffs like corned beef, canned fish, wet salted codfish, canned cheese and evaporated milk for the armed forces. The Agricultural Bank of Greece at regular intervals issues calls for tenders to supply the country's requirements of chemical fertilizers, veterinary drugs, seeds, beecomb foundation, and certain types of machinery, including pumps and spraying equipment. The Greek State Railways, the Social Insurance Institute, the Public Power Corporation, the Telecommunications Organization of Greece and many other organizations procure their supplies through public tender.

Canadian firms should not ignore this type of business, as European and United States companies are participating with some measure of success. A good agent will keep interested Canadian firms advised on tender specifications and will be able to help in the final preparation of quotations. During the past twelve months, Canadian firms have been successful in securing public tender business in such products as seed potatoes, beecomb foundation, chemical fertilizers, copper tubing, aluminum, nickel, red iron oxide and agricultural machinery.

All countries, including Canada, are currently considered as sources of supply and purchases are usually made with letters of credit. A few items—such as rolling stock, telecommunication equipment and fire-fighting trucks—are bought on long-term credit. Payment is made either in free dollars, soft currencies, or with U.S. economic aid funds.

In general, one month's notice is given for submitting quotations. Price and delivery dates are the determining factors and quotations should give both f.o.b. and c. and f. prices. The participating firm or its agent must give participation and performance guarantees. This guarantee clause should not deter Canadian exporters because it is rarely invoked and only for definite shortcomings in the actual shipment. Whenever specifications or other tender terms cannot be met, Canadian companies should give alternative terms and specifications on their tenders.

Agricultural Output Improving

Agricultural products continue to make up the bulk of Greek exports. During the past year they earned the equivalent of $127 million ($114 million in 1954) in foreign exchange, and comprised roughly 70 per cent of total exports by value. The severe weather which blasted most of Europe this past winter left some marks in Greece but the damage is not as extensive as was first feared.

According to a recent report published by the Agricultural Bank, production of cereals, industrial crops, fodder, dried fruits, dairy products and fish increased

in 1955 over the previous year. Tobacco production was up by 40 per cent (approx. 55,000 tons exported in 1955), cotton by 37·5 per cent, rice by 27·8 per cent and wheat by 9·6 per cent over 1954.

Outlook for Canadian Trade

The economic policy which the new Greek Government is following was announced in April by the Prime Minister. It is designed to solve the country's internal financial difficulties by: (a) relieving credit shortages; (b) promoting savings and encouraging the movement of capital into industry; (c) keeping down the cost of living, and (d) following a strict budget policy.

It was also announced that the present trade liberalization policy is to be continued. The Canadian exporter's position, therefore, will be much the same over the next six months as it was this past year. The ability of the Canadian exporter to sell in the Greek market will depend largely on whether he can compete price-wise with European and other suppliers and whether he is prepared to grant the same attractive credit terms.

IRELAND

Second half of 1955 saw signs of inflation increase, with a sharp rise in imports of consumer goods, decline in savings, and increase in balance of payments deficit. Import levies introduced in March on wide range of imported manufactured goods, accompanied by other corrective measures. The import levies may affect Canada's sales, which showed significant increase in '55.

T. G. MAJOR, *Commercial Counsellor, Dublin.*

THE UPSWING IN BUSINESS ACTIVITY apparent during the fiscal year 1954-55 continued during the remaining months of 1955. In the second half of the year, however, there were increasing signs of an inflationary trend, and particularly a rapid rise in imports of consumer goods. Coupled with this, despite a good growing season, farm production failed to increase as expected and prices of agricultural products fell. Bank loans rose considerably, savings showed a serious decline, and personal spending increased sharply. One of the bright spots in the economic picture, however, was the continued steady increase in industrial output. The general picture was such that the Government found it necessary during the first quarter of 1956 to take corrective measures. There are signs that these are beginning to have the desired results for the short run.

Economic Indicators

The overall deficit on the current account balance of payments of the Republic, which in 1954 was the lowest since 1946, rose sharply in 1955 from £5·5 million to £35·5 million. Agricultural production as a whole is estimated to have dropped by approximately 2 per cent, with the most serious loss in the field of meat for export. The index number for the prices of farm produce fell from 106·6 for March 1955 to 96·2 for March 1956. A short-term increase in the output and export of cattle may be expected but the area under tillage this year probably will remain about the same as in 1955.

The volume of production in industries producing transportable goods continued to rise and in the final quarter of 1955 was running 3·3 per cent higher than a year earlier. The consumer price index, almost stationary since August 1953, rose from 100·7 in February 1955 to 105·6 in February 1956. Personal consumption also increased during the past year. This affected savings adversely and in addition encouraged the substantial rise in imports.

Corrective Measures Taken

The inflationary trend in the United Kingdom, which resulted in the raising of the bank rate in that country early last year, did not reach serious proportions in the Republic of Ireland until late in the year. Although

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a number of minor adjustments were made in bank interest rates, it was not until December that the Central Bank of Ireland raised its rate from 3 to 4 per cent. Early in the new year, however, it became apparent that more drastic measures were needed to curb consumer spending and in March the Minister for Finance announced the imposition of special import levies on a wide range of imported manufactured goods, plus restrictions on instalment buying. It is too early to calculate the full effect of these steps but already the volume of imports has declined. There are indications also of a slowing down in some lines of consumer purchases, especially in the larger centres. The general impression, however, is that retail business activity continues at a high level—stimulated possibly by the good weather since Easter.

The Budget was brought down early in May and provided for increased taxes on tobacco, gasoline, certain lubricating oils, matches, table waters and betting. These have been imposed primarily to raise revenue. Measures to encourage industrial expansion and personal savings were also introduced.

Trade Deficit Larger

The fiscal year ending March 31, 1956, was marked by a sharp rise in imports which, combined with a decline in exports, produced a trade deficit of serious proportions. Imports, which during the year 1954-55 were valued at £186·3 million, rose to £202·1 million in 1955-56; exports fell from £115·2 to £104·4 million. This resulted in a trading deficit of £71·1 and £97·7 million respectively. From January 1955 to February 1956, each month showed an increase in the deficit over the same month of the previous year. The trend was reversed in March 1956 when the special import levies began to take effect. However, the reduction in the volume is being partly countered by a rise in import prices; export prices have dropped.

Although the volume of imports of consumer goods may be curtailed by special import levies, there is cause for concern in the rising cost of such producers' goods as natural rubber, rock phosphate and other fertilizer materials, cardboard, coal, lumber, and chemical wood pulp. These are basic materials for production and their effect on costs will tend to hurt the competitive position of Irish exporters. In addition, these higher costs, and the wage increases, are likely to increase the upward pressure on internal prices.

The situation brings into sharp relief the extent to which the economy of the Republic is vulnerable to external factors. Specifically, the first quarter of 1956 has seen a decline from £15 million to £10 million in the combined value of exports of fat and store cattle, beef and veal, and pork. These account for most of the drop in exports to Great Britain and represent a serious development—cattle alone constitute some 40 per cent of total exports by value. The decline is due partly to the holding back of cattle and pigs but there also has been a sharp drop in prices in the British market.

In general, the decline in exports has been limited to the sterling and dollar areas, but all areas have shared in the reduction in imports.

Trade with Canada

The calendar year 1955 brought a sharp increase in imports from Canada to £6·7 million, up from £3·9 million in the previous year. Exports to Canada, on the other hand, fell from £584 thousand to £325 thousand. Wheat, lumber, newsprint and clover seed accounted for most of the increase in imports. There was a further widening in the range of commodities, both semi-processed and fully manufactured, showing that there is a potential market despite high import duties. However, the new import levy of 25 per cent ad valorem on many non-essential goods will tend to slow down this trend, although the fact that the rate is 37½ per cent on goods from all countries other than Canada and the United Kingdom may help some Canadian exporters.

The drop in Irish exports to Canada resulted almost entirely from the disappearance in 1955 of an outlet for pork; sales of pork to Canada in 1954 amounted to about £200 thousand. Exports of wool, woollen goods and cordage also increased.

Fewer on the Farms

More and more Europeans are finding jobs in the cities instead of on the farms, according to a survey carried out by the UN Economic Commission for Europe. This parallels the trend in North America. From 1950 to 1955, many countries of Europe witnessed a 15 per cent decline in number of male workers in agriculture, largely because of more jobs in the cities in the postwar years. Young people in particular want to leave the small farms and make their way in the big centres. With the draining off of young people, mechanization on the farm has become more important: the number of tractors in use, for example, has gone up at an annual rate of 20 to 30 per cent in the last five years. The net result of the move of labour to the city may be the development of more modern techniques on some European farms.

This aerial view shows the great Fiat-Mirafiori works, where the Fiat cars are turned out. Booming automobile production has intensified demand for steel; as a result, the Italian steel mills have more than doubled their output since 1950.

ITALY

Relaxation of import restrictions in April means that Italy has now liberalized about 40 per cent of private dollar imports, on basis of 1953 figures. But continuing trade deficit with dollar countries means purchases will emphasize essential materials, etc.

W. ROSS VAN, *Commercial Secretary, Rome.*

ITALY IS MOVING STEADILY towards freer trade with dollar countries. In April, a new and more comprehensive list "A" was published. This list frees about 90 additional items from the need for import licences when these goods originate in Canada or other dollar countries. Its appearance means that Italy has now liberalized about 40 per cent of her private dollar imports, on the basis of such imports in 1953. This represents a 16 per cent advance over the last liberalization in August 1954.

Even though her overall volume of trade has increased, Italy continues to have a deficit in her trade with dollar countries. So far, receipts from the tourist trade, freight earnings, remittances from Italians abroad, returns on foreign investment, and foreign aid in various forms have covered this deficit. But further progress in the liberalizing of Italian dollar imports is expected to be somewhat slow.

Commodities Liberalized

The term "trade liberalization" immediately arouses the average exporter's interest. He is apt to anticipate with the lowering of barriers the conclusion of hitherto impossible sales. Unfortunately, when the true facts are revealed the picture is less bright. This will probably be the experience of many Canadian exporters interested in the Italian market because the new list mainly broadens items within certain commodity groupings, but does not to a very great degree free additional types in which current exporters of Canadian goods to the Italian market are interested.

71690—3½

Italy primarily purchases from dollar sources raw materials and semi-manufactured goods and in the main the free list has been set up accordingly. The country itself has few raw materials and turns out few semi-processed goods. Many of the things she needs are not available from, or are in increasingly short supply in, EPU countries and other soft currency areas. And in many instances dollar supplies are lower in price than competing products. Consequently Italy both needs and wants to buy in dollar markets.

The new list, apart from freeing salted codfish, which was previously imported under allocation, includes raw chemicals and other raw materials, some wood products, certain types of office machines and of marine engines, and other power machines.

What Canada Sells

Canada's principal exports to the Italian market include wheat, codfish, canned salmon, textile waste, lumber, wood pulp, iron ingots, iron and steel semi-fabricated products and scrap, aluminum in primary forms, nickel, industrial electrical apparatus, minerals, polystyrene, synthetic rubber, etc.

	1955		*1954*	
	(in millions of dollars)			
Canadian Exports to Italy	27·6	(wheat 16 per cent)	23·8	(wheat 5 per cent)
Canadian Imports from Italy	18·5		15·0	
Balance for Canada	plus 9·1		plus 8·8	

DBS figures.

These figures show that, apart from certain foodstuffs, the main Italian interest in the Canadian market is as a source of materials needed to maintain the present high production of Italian industries.

Industrial Expansion Continues

The newcomer to Italy sees many signs of improving conditions. The last decade has witnessed consistent progress, particularly in industry. The volume of industrial production during 1955 showed a 9·3 per cent rise over the previous year and the industrial index has thus virtually doubled since 1938. Production indices in the table on the left compare 1954 and 1955 with 1938, the base year. The figures illustrate the rapid advance in the majority of industrial sectors, with the exception of textiles and leather.

	Base: 1938=100	
	1954	*1955*
1. Extractive Industries	200	241
2. Manufacturing Industries	177	193
1) Foodstuffs	160	165
2) Tobacco	150	154
3) Textiles	117	106
4) Footwear, clothing, etc.	117	106
5) Lumber and cork	173	176
6) Paper	134	144
7) Printing and publishing	177	193
8) Leather	91	82
9) Rubber	194	202
10) Chemicals	240	279
11) Oil and coal by-products	733	784
12) Building materials and similar products	174	207
13) Metallurgical	173	212
14) Mechanical	178	203
15) Various	177	193

Source: Central Institute of Statistics.

The most notable advances occurred in the iron and steel industry which set new records largely because of the demand from the booming Italian automobile and shipbuilding industries. Italian steel mills have more than doubled their output since 1950. The following comparative production statistics for the steel industry illustrate the progress achieved:

	1954	*1955*	Var. %
Common cast iron	1,256,482	1,624,912	plus 29·3
Raw steel	4,206,862	5,393,007	" 28·2
Rolled steel	3,139,312	4,021,975	" 27·7
Ferro-alloys	89,169	109,465	" 22·8

(Central Institute of Statistics)

Nearly two million tons of laminated steel were exported in 1955 compared with only about one-third of that amount in 1954. Exports of other steel products also increased. There has been no change in imports of finished steel products but imports of iron and steel scrap have increased substantially; Canada supplied well over 100 thousand tons valued at nearly $4 million in 1955.

Agricultural Prospects

The year 1955 proved very successful for agriculture but the inclement weather conditions during the first part of 1956 have caused anxiety. Preliminary reports indicate that little damage has been done to the wheat crop, but that olives, citrus fruits, almonds and tomatoes have been more seriously affected.

Foreign Trade Increases

Italy's foreign trade during 1955 showed a further increase. According to official statistics, imports (c.i.f.) were valued at $2·7 billion, an increase of about 11 per cent over the previous year. Exports (f.o.b.) were valued at $1·8 billion, a 13 per cent increase over 1954. Despite the increased volume of trade during the year, the trade deficit increased by 6 per cent over 1954. Contributing to this were higher freight rates and a rise in prices of some imported raw materials. Export prices tended to be lower.

The overall increase in import values for 1955 compared with the preceding year was distributed as follows: foodstuffs 36 per cent, raw materials 18 per cent, semi-manufactured goods 17 per cent, finished products 29 per cent.

The largest volume of trade—between 65 and 70 per cent—in both imports and exports, continued to be

carried on with the EPU area; this trade showed a continuing and substantial deficit. Trade with the dollar area (principally in imports) rose, mainly because of larger purchases of coal and scrap metals. Trade with countries with which Italy has bilateral agreements also rose. The following table gives a breakdown of Italian trade on a percentage basis for the years 1953 to 1955 inclusive.

AREAS	Imports % 1953	1954	1955	Exports % 1953	1954	1955
Western Hemisphere	17·2	14·9	18·3	13·8	13·0	14·3
U.S. and Canada	14·9	12·9	16·0	10·5	8·6	9·5
Other countries	2·3	2·0	2·3	3·5	4·4	4·8
EPU countries	67·9	67·2	69·8	66·5	67·3	64·8
Sterling area	27·8	24·9	28·7	21·1	19·8	17·1
Other countries	40·1	42·3	41·1	45·4	47·5	47·7
Other countries with bilateral agreements	10·5	10·9	11·1	15·5	15·3	17·2
Other countries without bilateral agreements	4·4	7·0	0·8	4·2	4·4	3·7
Total	100·0	100·0	100·0	100·0	100·0	100·0

(Central Institute of Statistics.)

Future Prospects

With the present rate of industrial expansion, plus the creation of new industries—especially under the development program for the South—prospects appear good for increased sales of raw materials and semi-manufactured goods to Italy. There are not too many opportunities, however, for finished goods. It is for this reason that foreign producers have found alternative methods of entry into the market, either through the manufacture of their products under licence or through the establishment of subsidiaries. Italy has recently passed a new investment law to encourage the entry of foreign capital, especially in the establishment of productive enterprises. To date, with a few exceptions, finished goods not made locally are principally imported from the European Payments Union area.

THE NETHERLANDS

Annual Canadian exports to the Netherlands have gone up by $32 million since war ended. Continuing prosperity forecast for 1956 and Canadian traders should benefit, if prices are kept competitive and prompt shipment made.

V. L. CHAPIN, *Commercial Secretary, The Hague.*

EACH SPRING IN THE NETHERLANDS two important reports are published at about the same time. One describes the progress of the economy throughout the immediately preceding year and the other forecasts what it is likely to be in the current year. These reports, the *1955 Annual Report of The Netherlands Central Bank* and the *General Economic Plan for 1956* prepared by The Netherlands Central Planning Bureau, state that 1955 was a good year for the Netherlands and forecast that 1956 will be even better.

The Bank reports that 1955, like 1954, was a year of progressive expansion and increasing prosperity. Both the national product and the real national income rose 6 per cent over 1954. The real income of the working population went up 4 to 5 per cent. The current account of the balance of payments showed a surplus of 250 million guilders in addition to a surplus in the capital account. These surpluses were used to reduce the national foreign debt slightly and to extend external short-term credits through Netherlands banks. Gold and foreign exchange reserves remained unchanged at a satisfactory level.

Prosperity to Continue

The Central Planning Bureau in its forecast for 1956 anticipates that the "boom abroad" will continue and therefore competition from foreign products will not increase. Consequently the Bureau predicts that the volume of Dutch exports will be 7½ per cent greater than in 1955. Of particular interest to Canadian exporters to this market is the Bureau's forecast that private consumption will increase by 3½ per cent and the volume of imports by 9 per cent during 1956. Other predictions are that productivity will go up 2½

Tips on Trading with the Netherlands

- *Because of the keen international competition prevailing in the Netherlands, Canadian exporters should quote their lowest prices.*

- *Offers should be as detailed as possible and prices preferably c.i.f. Rotterdam/Amsterdam.*

- *If it is not possible to supply samples, detailed descriptions and illustrations of the commodity offered for export should be submitted.*

- *In most instances, manufacturers and exporters in adjacent countries ship on a cash-against-documents basis. Canadian exporters should adopt the same practice. Information on the financial status of local firms can always be obtained from the Commercial Secretary, Canadian Embassy, The Hague.*

- *Canadian exporters should make every effort to ship goods ordered without undue delay. This is essential in view of the proximity of competing Western European countries.*

- *Netherlands businessmen attach great importance to personal contact, particularly where Canadians are concerned. Initial contact should therefore be followed where possible by a visit to this territory.*

- *Correspondence received from Netherlands importers or agents should be answered promptly. The exporter should remember that the Netherlands is situated next to highly industrialized countries like Belgium, Luxembourg, Germany, France and the United Kingdom. Business with these countries is frequently done through personal contact or by telephone.*

- *If business is done through an agent, the latter should be supplied with copies of all correspondence which the Canadian firm carries on directly with Netherlands importers.*

- *All correspondence should be sent by airmail.*

- *In view of the small area of the Netherlands, only one agent or importer is necessary for this territory.*

- *Goods from dollar area must have import permit but permits are, with few exceptions, freely granted.*

per cent and actual production by 3½ per cent. Gross investment will amount to approximately seven billion guilders, which is roughly equal to 25 per cent of the total domestic expenditure. Wages are likely to rise 7 per cent and unemployment fall to a postwar low of 45,000. All this is to be accomplished without serious inflationary pressure developing. The price level for total domestic expenditure is not expected to increase by more than 1½ per cent.

The past and future success indicated in these reports is attributed to the continued sacrifices, hard work and intelligent planning of the Netherlands people and Government throughout the postwar period. Remarkable restraint by both management and labour, functioning under determined government leadership, the reports point out, has permitted the nation to achieve a substantial degree of industrialization without serious inflation. The international competitive position of the Netherlands is sound and the aim of the Government, supported by management and labour, is to maintain this position.

Trading Prospects

Throughout the postwar period the volume of Canadian exports to this market has increased steadily, from approximately $8 million to $50 million a year. At the present time, with very few exceptions, dollar goods may be freely imported into the Netherlands and Canadian goods of all types are particularly welcome, provided prices are competitive.

For further information on the Netherlands market, see "The Netherlands Market: a Report for Exporters" in the December 10, 1955, issue of "Foreign Trade"—Editor.

Agricultural Production

A report by FAO indicates that in 1954 world agricultural production (excluding Communist bloc countries) was more than 25 per cent greater than in 1946-47. In 1945 world production was down 5 per cent and world population up 10 per cent over prewar levels, but by 1954 production in some countries had increased to such an extent that surpluses of wheat, sugar, cotton and other farm products had appeared. The FAO gives the main reasons for this large increase as: the widespread adoption of price supports and other measures which encourages larger crops; the rapid development of land and water resources of under-developed countries, and the scientific revolution and successful application of new techniques to agriculture.

NORWAY

Larger imports of nickel, copper and other ores, and of fishing nets, and bigger sales of canned fish and shellfish raised value of Norway's trade with Canada last year. Country's economy continued to progress, with greater production in manufacturing, higher earnings in shipping, improved foreign trade and a smaller balance-of-payments deficit.

J. C. DEPOCAS, *Commercial Counsellor, Oslo.*

NORWAY'S ECONOMIC PROGRESS continued during 1955, but the rise in production was smaller than in most of the postwar years. Industrial production increased by about 4 per cent, compared with 6·2 per cent in 1954, and the increase in the national product is estimated at a little less than 3 per cent, compared with an annual average during the preceding five years of over 3½ per cent. The smaller rise in production was the result partly of less favourable conditions in certain branches of industry and partly of the Government's tighter monetary and financial policy. The most far-reaching of the monetary measures introduced early in the year was the raising of the Bank of Norway's discount rate from 2·5 to 3·5 per cent. This resulted in similar action, proportionately, by the commercial and savings banks which raised their interest rates on deposits and loans.

Balance of Payments and EPU

The deficit in Norway's balance of payments for goods and services in 1955, estimated at about 700 million kroner, was about 300 million kroner less than in 1954, largely because of greater earnings from shipping and an increase in exports. Imports also rose, though not to the same degree; the main factor was the greater number of ships bought abroad.

The deficit with the European Payments Union increased by $46·1 million during the year and by the time 1955 ended, Norway had drawn $457·2 million of its total quota of $509·6 million in EPU. In January there was a small EPU surplus of $130 thousand but by February this had changed into a deficit of $5·5 million. Imports from the EPU area were not liberalized beyond the previous 75 per cent. The beginning of 1956, however, brought the easing of import restrictions on a number of goods, including the following goods from the dollar area—rubber footwear, fancy goods, films and photographic paper, certain iron and steel products, electric meters, and certain machinery and raw materials for the paint and varnish industry. At present, applications for import permits covering these commodities are being approved.

Foreign Trade Increases

The value of both exports and imports (excluding ships) increased in 1955, with exports up by 8·9 per cent and imports by 5·2 per cent over 1954. Commodity exports totalled 4,312 million kroner in value in 1955 compared with 3,959 million kroner in 1954; imports increased from 6,014 million kroner in 1954 to 6,328 million in 1955. The import surplus declined from 2,055 million to 2,015 million kroner. The largest export increases took place in base metals, fish and fish products, pulp and paper waste products, ores and metal waste products, and paper and cardboard and their products. Largest import increases were in fuel, lubricating oil and similar products; base metals; grain and grain products; wood, timber and cork; ores and metal waste, and raw chemicals and chemical compounds.

Sales to practically all Norway's important markets, except the Soviet Union, were higher, particularly those to the United Kingdom and Northern Ireland, the

A line boat fishes for cod near Svolvaer, off the rocky Norwegian coast. Last year saw the codfish catch increase by 37,000 tons and higher prices for fish prevail in most markets.

Federal Republic of Germany, the United States, and Brazil. Sweden, the United Kingdom and Northern Ireland, the United States, Canada, and the Soviet Union all sold more to Norway last year.

Trade with Canada

Norway's exports to Canada in 1955 rose in value from $2 million to $2·4 million, mainly because of larger sales of canned fish and shellfish. Its imports from Canada also rose in value to $47 million compared with $43·8 million in 1954. The largest increases were in nickel in matte or speiss, fine copper in ore, other ores, and fishing nets. The following tables show the leading products in Norwegian-Canadian trade in 1955, with comparative figures for 1954. (DBS statistics.)

EXPORTS TO CANADA

	1955	*1954*
Canned anchovies and sardines	1,010,454	810,717
Canned crabs, clams and shrimps	132,860	53,577
Cod liver oil	91,174	57,026
Synthetic resins	86,760	35,858
Salted herrings	85,166	71,775
Sportsmen's fishing tackle, n.o.p.	65,872	55,523
Canned kippered herrings	62,669	49,955
Castings of steel, n.o.p.	50,817	99,152
Commercial fish hooks	42,459	40,166
Furniture, mainly of wood	40,844	32,693
Nickel in bars, rods, strips and sheets	39,308	35,752
Skis, racquets and frames, bats	35,138	29,268
Total	2,366,235	1,983,093

IMPORTS FROM CANADA

	1955	*1954*
Nickel in matte or speiss	24,822,876	21,666,109
Fine copper in ore	7,654,060	5,695,326
Wheat	5,841,779	7,438,929
Drugs and chemicals, n.o.p.	3,742,394	4,670,662
Ores, n.o.p.	1,359,672	531,627
Flaxseed, n.o.p.	1,173,642	917,798
Commercial fishing nets of twine	404,866	39,578
Carbon graphite electrodes	345,736	314,392
Zinc in ore	239,141	584,662
Scrap iron and steel	234,450	.....
Rye	217,000	.....
Automobile parts	100,201	25,215
Total	47,031,412	43,812,904

Shipping Earnings Increased

The net product of the shipping industry rose by about 450 million Norwegian kroner and reached 1,610 million kroner. This increase, which represents about 40 per cent of the total rise in the net national product, was the result of a net increase in tonnage and of higher freight rates. Throughout 1955 freights were higher than in the preceding year and they still show a tendency to rise. Very few ships were laid up during the year. The net freight earnings of the shipping trade in foreign exchange during the year amounted to the equivalent of 2,335 million kroner, compared with 1,825 million kroner in 1954.

Fisheries and Whaling

The fisheries yield declined from 1,905,000 metric tons in 1954 to 1,635,000 tons in 1955. The herring catch dropped from 1,437,000 to 1,102,000 tons and, consequently, production and exports of herring oil and meal fell. Output from the large cod fisheries, however, increased from 86,000 to 123 thousand tons. Despite the smaller fisheries production, the value of the total fish catch increased from 568 million kroner to about 600 million kroner because prices were higher throughout the year. According to the most recent report on the 1956 herring fisheries, by the middle of March the total catch had exceeded 12 million hectolitres with a first-hand value of some 247 million kroner (one hectolitre equals approximately 3·3 bushels). This is the largest herring catch ever made off the Norwegian coast and exceeds the record year of 1954 by about 250 thousand hectolitres.

Production in the whaling industry was smaller in the 1954-55 season. Norwegian expeditions produced 806,244 barrels of whale and sperm oil, with a total value of 242 million kroner, compared with 225 million kroner in 1954. In the new pelagic whaling season which began on January 7 nine Norwegian expeditions participated. The total oil output again dropped to 783,568 barrels; the entire production has already been sold for approximately 200 million kroner.

Agriculture and Forestry

As a result of the long drought last summer, the total harvest is estimated to be only 79 per cent of an average year—the lowest for over 50 years. Livestock production was about the same as in 1954. The value of agricultural production totalled approximately 1,100 million kroner, 200 million kroner below the previous year's figure. It is still too early to predict the effect of the severe European winter on this year's crops. In the 1954-55 felling season, approximately 7·3 million cubic metres of coniferous timber were produced for sale, compared with 7·5 million cubic metres in the previous season.

Industrial Production Up

Nearly one-third (about 400 million kroner) of the rise in the national product during the year took place in the manufacturing industries. The net product in these and in mining together totalled 7,100 million kroner, compared with 6,700 million in 1954. With the exception of the textile and chemical industries, all the major manufacturing groups increased their output in 1955; the over-all increase is estimated at 4 per cent.

Production in the export industries has risen by approximately 6 per cent, and that of the industries producing for the home market by a little more than 3 per cent. Electric power generated last year has been estimated at 5 per cent more than in 1954.

Outlook Favourable

The economic outlook at the end of 1955 had several encouraging features. There were no signs of an international recession, activity in general was high, and the deficit in the balance of current transactions was considerably smaller. The demand for Norwegian export products continues good and there is every reason to anticipate favourable prospects for trade and for earnings from services during the current year.

PORTUGAL

Canada's 1955 trade with Portugal practically unchanged in value from previous year, but commodity pattern altered. Liberalization of trade with dollar area last August important step forward. Industry and foreign trade expanded in '55 but agriculture suffered because of drought during growing season.

RICHARD GREW, *Commercial Counsellor, Lisbon.*

THE EXPANSION OF INDUSTRY AND COMMERCE in Portugal has been maintained during the past year, although the rate of expansion was not as great as in the more highly industrialized European countries. One reason may be that agriculture plays a relatively more important part in the economy of Portugal than in certain other countries. Portuguese farmers, however, did not find 1955 a good year. Production of cereals especially fell below that of the previous year because of drought in many parts of the country during the growing season.

Nevertheless, in other lines of activity and particularly in foreign trade, progress was satisfactory, and industrial production advanced over the previous year.

The long dry period during the growing season adversely affected most crops, with the cereals—wheat, rye, oats, barley and maize—all suffering. Production of wheat was 23 per cent below the average for the past ten years and 47 per cent less than in the previous year. Oats and barley were 25 per cent below the ten-year average, and rye and maize decreased by 18 per cent and 7 per cent respectively.

Crops Damaged, Imports Rise

One result was that Portugal found it necessary to buy from other countries greater quantities of grains as well as butter and beef. Canada did not share in the increase in sales for a variety of reasons. In wheat, Canadian prices were out of line with American quotations and, despite the superior quality of Canadian wheat, the lowest bid had to be accepted. Portugal's wheat is always purchased on tender and often the time between the invitation to tender and the closing of the tender is not long enough to permit a favourable offer from Canada.

The unprecedented cold weather during the first two months of 1956 has done considerable damage to some crops, particularly citrus fruits, olives and almonds. The cold spell extended to the very south of Portugal and came just as the almond blossoms were in bloom, so that this year's production will probably be well below average. Olive production generally has alternate good and bad years. Last year was supposed to be a good year but drought followed by storms made it the worst "good" year in the last two decades. For domestic consumption, pure olive oil must be mixed with an equal part of peanut oil but the quality of olive oil for export will be maintained.

The cereal crops were not damaged to the same extent and after ample rains in March and April, prospects appeared promising. Since the first of May, however, the weather has turned hot and dry and in the Lisbon area there is some fear that the grain is ripening too rapidly.

Industry Expands

With the exception of a few individual lines, industrial production continued to expand—particularly minerals, lumber, pulp and paper, textiles excluding cotton, fertilizers, building materials, shipbuilding, transport and communications and port construction. The modernization of the railways was carried forward and a considerable increase in hydro-electric development achieved.

The fishing industry suffered some decline, except for cod fishing which brought in a record catch; this was particularly fortunate during a year when meat supplies ran short. The cotton textile industry has continued to be somewhat depressed, particularly in weaving;

the spinning industry is more active. Despite the unfavourable conditions in this industry, many inquiries are being received for the latest types of textile machinery. This may indicate that the industry considers modernization the best answer to prevailing conditions. Production of soap and cement also declined. Capacity of cement factories in Portugal is greater than the domestic demand with the result that, unless export markets can be found, full capacity cannot be maintained. The decline in soap production mainly resulted from the increasing use of detergents.

The cork industry had an excellent year in 1955 and indications are that 1956 will be even better. Production last year reached a record. So did exports of cork and cork products—the most important single item in Portugal's foreign trade.

Within the next few years, the steel industry of Portugal should expand considerably. A steel mill will be erected in the north where the principal iron mine is located and where ample hydro-electric power is available. An electric smelting plant and an electric furnace for scrap with an annual capacity of 80,000 tons of steel is also planned. In addition, it is intended to put up a rolling mill and a coke blast furnace with a capacity of 150 thousand tons which can be increased by 100 per cent at a later date.

Foreign Trade Increases

Both imports and exports increased during 1955 compared with the previous year, and the trade deficit rose slightly. The following table gives the overall values for the past two years:

	1955	*1954*	*Increase in 1955 over 1954*
	*(millions of escudos)**		
Imports	11,445	10,085	1,360
Exports	8,144	7,297	847
Unfavourable Balance	3,301	2,788	513

A similar table for trade with the United States and Canada gives the following picture:

	1955	*1954*	*Increase in 1955 over 1954*
	*(millions of escudos)**		
Imports from United States	1,101	838	263
Imports from Canada	70	71	−1
	1,171	909	262
Exports to United States	839	753	86
Exports to Canada	59	59	.....
	898	812	86
Unfavourable Balance	273	97	176

* One escudo=$0·0348 Canadian.

In August 1955, Portugal liberalized restrictions on imports from the dollar area covering over 100 commodities. The list of items freed from quantitative restrictions included a number of products of particular importance to Canada—such as wheat, whisky, canned salmon, asbestos, aluminum, copper, lead, and synthetic rubber. This was Portugal's first relaxation of restrictions on dollar imports and represented an important step in its progress towards freer trade with the dollar countries.

Trade with Canada

During the two years (1954 and 1955) trade between Canada and Portugal has remained practically unchanged in value although the products featured, and particularly Canadian exports to Portugal, have undergone a distinct change. In former years, wheat and codfish have played an important part in Canadian exports to this country. Imports of codfish during the past year were valued at slightly over $600 thousand and no Canadian wheat was imported. It should be pointed out, however, that sales of codfish were effected in the previous year although exports did not take place until 1955. The other principal Canadian exports to Portugal were flaxseed, fish-bait, newsprint, steel plates and sheets, asbestos fibre, and penicillin and streptomycin. These products totalled $2·0 million, out of exports valued at $2·5 million. A wide range of goods were included in the remaining $500 thousand.

Portuguese exports to Canada during 1955 were valued at $1·9 million, of which cork and cork products, wines, shelled almonds and anchovies accounted for $1·6 million.

By Countries and Commodities

For the first time in a considerable period, the United Kingdom lost its position as principal supplier to Portugal. As the result of a concentrated sales effort, the value of Germany's exports to Portugal increased from 1,378 million escudos in 1954 to 1,663 million escudos during the past year, compared with 1,613 million escudos for exports from the United Kingdom. By volume, exports from Germany totalled only 186 thousand tons; 452 thousand tons were imported from the United Kingdom. The success of the German effort was primarily the result of the much larger number of motor vehicles shipped to this country. During the past two years Germany has shipped to Portugal 12,045 passenger vehicles out of a total of 21,852 imported, or approximately 55 per cent of the total. The next important supplier, the United Kingdom, accounted for only 20 per cent. The American share of the market is between 5 and 6 per cent.

In order of importance, the principal imports were: raw cotton, iron and steel, industrial machinery, crude oil, passenger vehicles, chemical fertilizers, manufac-

Points for Exporters to Portugal

• *Whenever possible, prices should be quoted on a c.i.f. basis. Dollar quotations are acceptable. Lisbon and Leixões—near Oporto—are the only two ports that need be considered.*

• *Portugal uses the metric system for weights and measures, and it is therefore an advantage to make offers in kilos, particularly when the price is by weight.*

• *Literature and samples are helpful but before sending samples, it is advisable to find out from a local firm what the difficulties are. It sometimes happens that a sample cannot be passed through the Customs without an import licence. This applies particularly to fully manufactured goods.*

• *Direct shipping service is available from Quebec, Montreal and the Great Lakes during the St. Lawrence season and the Atlantic ports during the winter months.*

• *Portugal is not a wealthy country and price is an important consideration. Furthermore, European industrial countries have a freight advantage when they are exporting to this country. Consequently prices must be kept as low as possible to be competitive.*

• *Goods to be imported require an import licence granted by the authorities of the Ministry of Economy before shipment from the country of origin.*

• *Shipping documents for Portugal, in addition to the Bills of Lading and commercial invoices, should be accompanied by a Declaration of Cargo issued by the nearest Portuguese Consulate. For goods in transit, without a direct Bill of Lading, a Certificate of Origin from the Portuguese Consulate is necessary instead of a Declaration of Cargo.*

• *Shipping marks should be as abbreviated as possible, for example:—*

E.J.M. & Co.
LISBON

and tallying exactly with the shipping marks shown on the Bills of Lading, Declarations of Cargo or Certificates of Origin.

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tures of metals, commercial motor vehicles, vessels, fuel oil, oilseeds, and coffee.

On the export side, cork and cork products account for more than 20 per cent of the total value of Portuguese exports. Cotton yarn and cloth, which is mainly exported to overseas provinces, represent 12 per cent of the total. Canned fish (sardines and anchovies) accounted for another 12 per cent. Port and other wines of all kinds, brandies and liqueurs constitute another important group and comprise approximately 8 per cent of the total exports. The other principal exports are timber, wolfram, almonds and figs, pyrites, resin and olive oil, which account for a further 20 per cent of the total.

Other Factors

The Bank of Portugal, at the end of 1955, showed an overall balance of payments for the escudo area of 629 million escudos, which was slightly less than half the credit balance reported at the end of 1954. Nevertheless, since the middle of last year the position has greatly improved. The balance of payments surplus with the dollar area increased from 533 million escudos at the end of June 1955 to 1,589 million escudos at the end of the year; the deficit with the EPU countries only increased from 913 million to 1,011 million escudos during the same period. Foreign exchange and gold reserves at the end of 1955 amounted to 19,268 million escudos.

As the tempo of economic activity increased during the past year, credit and monetary circulation expanded. Despite the pressure of inflation, prices and wages have remained fairly constant although there are some indications that the prices for food and shelter (particularly the latter) are going up. This may soon be reflected in a rise in the cost-of-living index.

Prospects Remain Good

Most indicators point to a steady advance in economic activity though agriculture will probably have the smallest share in the general improvement. The long dry season of last year followed by the severe winter, which did considerable damage to some crops, will undoubtedly affect the earning power of a large proportion of the population, nearly half of whom depend on agriculture. Nevertheless, industrially and from the foreign trade point of view, the prospects for the remainder of 1956 appear promising. •

SPAIN

Spain continues to make economic progress and achieve industrial expansion, but pace slowed up by severe February frosts which resulted in disastrous loss of foreign exchange earnings. Strict import policy prohibits purchases of most Canadian commodities but U.S. base construction and economic aid programs offer opportunities to Canadian exporters in certain fields.

B. I. RANKIN, *Commercial Secretary, Madrid.*

ECONOMICALLY, 1955 PROVED TO BE a year of steady if not spectacular progress for Spain, and the country entered 1956 in an atmosphere of buoyant optimism. Industrialization, under the impetus of United States assistance programs, continued to chalk up new records. Steel production rose by 150 thousand tons to 1¼ million tons in 1955 and by 1957 the huge new mill now under construction at Avilés will add a further 300 thousand tons a year. Electric power output reached new records. The production of cement rose. Across the board, industrial output showed an 11 per cent increase.

Railway and highway modernization programs are continuing and construction is booming, sparked by the government program to build 100 thousand housing units a year for five years.

Despite the impressive economic expansion of recent years, much remains to be done. Acute shortages still exist and Spain's foreign exchange position presents a major obstacle to continued industrialization.

Frost Changes Picture

At the turn of the year, the general economic picture was most encouraging. Impressive industrial production figures were coupled with abundant rainfall that augured well for crops and for hydro-electric production. A bumper crop of citrus fruit was in the process of being harvested. Olive and nut tree orchards promised improved yields over the low ones of recent years. It appeared that foreign exchange earnings for 1956 would hit an all-time high and allow for some liberalization in imports badly needed to continue industrial expansion. Then, in February, the worst frost in a century reversed the picture almost overnight. Of the 700 thousand tons of citrus fruit still on the trees, about 90 per cent were lost by frost. Olives, almonds, filberts, and vegetable crops also were severely damaged. It is estimated that $100 million in foreign exchange has been lost as a result of the cold spell. In addition, permanent damage to the orchards will seriously reduce yields in future years. Fortunately grain crops are relatively unaffected and above-average yields are forecast for this year.

American Aid Primarily Agricultural

U.S. aid over the past three years has done much to start the economic recovery and industrial growth of Spain. At the outset, it was directed at helping to build an economically strong and sound economy to support the $500 million coming in for American air and naval bases now being constructed in this country. To this end emphasis has been placed on aid in the power, steel, and cement industries and the rail and highway transport systems. Each year, however, this emphasis has shifted to the provision of more agricultural surpluses and less capital.

Although this year, with the drastic losses from frosts, the provision of agricultural surpluses has filled a real need, it is essentially a move to keep up a standard of living but not to supply the means of improving it.

In the fiscal year 1955-56, U.S. aid totalled $50 million, of which $27 million was made up of surplus commodities. In addition, some $110 million in agricultural surpluses has been provided to Spain under Public Law 480. It is expected that in 1956-57 aid will be about the same or somewhat smaller.

The provision of agricultural surpluses by the United States following the frosts precluded Canada from taking advantage of Spain's import requirements of such goods.

Despite the progress of recent years there is still much to be done. Demands for consumer goods are increasing faster than the supply but the exchequer cannot afford the exchange to foot a larger import bill. Inflationary pressures in recent months have become all too evident. A decree establishing a general wage increase effective April 1st was considered insufficient to the extent that in this country, where it is illegal to strike, thousands of workers in industrial centres walked off the job.

Spain is still well below the average per capita consumption of such basic items as cement, steel, aluminum, cotton, wool and coal. To increase the production of such raw materials, the country needs continuing imports of machinery—hydro-electric equip-

Picking the orange crop in the Gandía district of Spain. This year the harvesters will not look so happy because, when 700 thousand tons of citrus were on the trees, severe February frosts swooped down and 90 per cent of the fruit was lost.

ment, machine tools, electrical equipment, earth-movers and agricultural machinery. There is only one tractor for every 163 farms in Spain—compared with one in three in Britain, one in 20 in France, and one in 77 in Italy. Domestic production of agricultural machinery has been started, but imports remain the main hope of rapid mechanization.

The Government is striving for equilibrium between industry and agriculture and attempting to avoid displacing farm workers before industrial growth can provide new employment opportunities. It is a delicate balance: improved agricultural output is needed to earn the exchange to support industry and allow for its expansion. Land reclamation and irrigation programs at the rate of about 70,000 acres a year and large reafforestation undertakings are important agricultural developments. Population, however, is growing at the rate of one million every three years.

Adverse Trade Balance Continues

Spain's foreign trade for 1955 remained at about the same level as in 1954. Imports were valued at gold pesetas 1,893 million compared with 1,882 million in 1954, and exports were valued at gold pesetas 1,365 million compared with 1,422 million in 1954, giving an adverse balance of gold pesetas 528 million—or approximately $170 million. (The gold peseta is worth approximately US$0·32.) Much of this adverse balance is covered by Spain's growing tourist receipts and other invisibles.

System Limits Canadian Participation

With the exception of the United States and Canada, the foreign trade of Spain is governed by bilateral trade and payments agreements with other countries. These agreements are usually on an annual basis and provide for an exchange of goods and services and a clearing account against which the financial transactions covering the exchanges are mutually debited and credited. In theory, allowing for a degree of "swing" in the "clearing", the account is supposed to balance out within the period of the agreement. In practice, payments by no means always flow so smoothly and at times import licences in sterling and other European currencies are suspended until the payment position is rectified.

The $100 million loss in foreign exchange earnings as a result of this year's freeze represents about one-seventh of Spain's total import bill—and more than one-fifth of annual commodity exports. The heavy loss of citrus fruits and other crops, normally substantial items in Spanish export trade, will result in a shrinkage of European currencies available to pay for imports.

Trade with Dollar Countries

Trade with the United States and Canada is characterized by a tight control of dollar import licences. Within the narrow bounds permitted by low hard-currency reserves, imports from the dollar area are severely restricted to highly essential goods which cannot be procured from any other source. In years of frost or drought these reserves must sometimes be used to buy foodstuffs—at the very time when Spain's export earnings dwindle because of the loss of agricultural produce on which exchange earnings mainly depend. This year such losses have been met to a considerable extent by agricultural surpluses from the United States.

Although in recent years there has been a small favourable balance in Spanish trade with Canada of approximately $2 million a year, this is more than offset by an unfavourable balance with the United States of some $80 million.

The control of all external trade is centred in the Ministry of Commerce and its affiliated Foreign Exchange Institute. In addition to a complicated system of import and export licences, the system is operated under multiple exchange rates, and some compensation or combined accounts. Compensation accounts have been greatly reduced and are gradually being eliminated.

Canada's trading position with Spain is most difficult. The rigid control on dollar imports and the competition of U.S. agricultural surplus contributions place such severe restrictions on our trade that it is impossible to foresee any real improvement in market possibilities. Eventually, given good agricultural years and improved exchange earning capacity, Spain offers a good market for Canadian capital and many consumer goods, as well as raw materials.

One bright spot in helping to bridge Spain's foreign exchange shortage and unfavourable trade balance is the rapidly growing flow of tourists. In 1955 about 2,522,000 visitors entered Spain compared with only 750 thousand in 1950. This year it is expected that 300 thousand Americans will spend their welcome dollars holidaying in Spain.

Meanwhile, the half-billion dollar U.S. base construction and economic aid programs offer Canadian exporters a good opportunity to gain a foothold in this market.

SWEDEN

Industrial expansion continued throughout 1955, domestic business boomed, and foreign trade expanded. Trade with Canada showed a significant increase; more manufactured and consumer goods appeared on list of our exports to Sweden, partly because of liberalization measures.

L. A. CAMPEAU, *Commercial Secretary, Stockholm.*

SWEDEN EXPERIENCED in 1955 a boom in business which was accompanied by some inflation. The Government adopted measures to counteract this inflation and particularly to cut down on excess purchasing power which became apparent at the beginning of 1955. These measures, which included increased taxation and tighter credit restrictions, began to have some effect upon the economy in the second half of the year.

Nevertheless, the pace of industrial expansion throughout the year was even faster than in 1954. Almost all branches of production expanded and in certain fields, such as iron and steel and pulp and paper, reached new peaks. Even the textile and footwear industries, which have lagged behind in the last two or three years, showed some improvement towards the end of the year. The engineering industry worked at capacity and output of iron ore reached the high level of 1952. Productivity in Sweden is consistently among the highest in Europe and most industries are devoting part of their profits to the acquisition of modern, efficient plants. Industrial production is also steadily becoming more diversified.

Foreign Trade Expands

The industrial expansion was accompanied by a rise in foreign trade and especially in imports. Several factors appear to be responsible for this increase in imports. First, expanding production created a demand for more fuels, raw materials and equipment. (Mineral oil, coal and coke alone accounted for about two-thirds of the total increase in imports, and larger quantities of iron, steel and machinery were also purchased.) Second, prosperity prompted greater imports for the Christmas trade, including various types of consumer goods.

Altogether imports rose during 1955 to 10,305 million kronor but exports reached only 8,945 million, leaving an import surplus of 1,360 million kronor compared with 996 million in 1954. Exports rose by some 749 million kronor and 60 per cent of that increase was in wood, pulp and paper. Exports of ore, iron and steel, and engineering products also mounted.

The 1954 and 1955 trade figures were as follows:

	1955	*1954*
	(in million kronor)	
Imports	10,305	9,192
Exports	8,945	8,196
Import Surplus	1,360	996

Shipping earnings, estimated at 1,000 million kronor in 1935, partially offset this trade deficit.

Principal Suppliers and Markets

Western Germany widened her lead over all other suppliers to this market in 1955. In second place came the United Kingdom and in third place, the United States. Swedish exports to these three countries also rose; Sweden had an export surplus with the United Kingdom of 333 million kronor, compared with 60 million in the previous year. With the United States, however, she had an import surplus of 576 million kronor (233 million in 1954).

Sweden's trade with her main trading partners and Canada during 1955 was as follows:

	Imports		*Exports*	
	1955	*1954*	*1955*	*1954*
	(in million kronor)			
United Kingdom	1,411·1	1,464·1	1,744·6	1,524·0
Western Germany	2,257·3	1,866·8	1,182·7	1,008·1
United States	1,011·2	724·4	434·9	381·4
Canada	51·6	19·5	61·1	46·9

Our trade with Sweden increased significantly last year, with higher figures for both imports to and exports from Canada. The striking feature, however, was the rise in Swedish purchases from Canada of 32·1 million kronor, or roughly 2½ times the 1954 figure. Principal commodities sold to Sweden included canned salmon and canned lobster; meats; hides; automobiles, tires and sparkplugs; synthetic resins; gas engines; non-ferrous metals; iron and steel; drugs and chemicals; calculating machines. As in past years, the emphasis was on raw materials and particularly non-ferrous metals, but Canadian manufactured and consumer goods are beginning to find a market in Sweden, as the list given above proves. The liberalization of Swedish imports from the dollar area in the fall of 1954 is undoubtedly one reason for this development; another is the fact that Canada is becoming better known abroad as an industrial nation. Some additions to the free list of dollar imports were made during the year and additional commodities may be added during the course of 1956.

Pulp and Paper Exports

Contributing to the rise in Swedish exports was the pulp and paper industry, with production and sales as follows:

- *Chemical Pulp*—(sulphite and sulphate). Production in 1955 totalled 3 million metric tons, compared with 2·8 million in 1954. Exports, the highest since the war, reached 1·91 million tons (1·8 million in 1954). Twenty-nine per cent of these exports went to Britain, 12 per cent to France, and about 11½ per cent to West Germany.

- *Mechanical Pulp*—Total 1955 production figures for mechanical pulp are not yet available, but according to estimates, output of wet and dry groundwood pulp for sale reached 400 thousand metric tons, compared with 375 thousand the year before. Exports rose to a new record of 384,700, up from 357,700 in 1954. As in previous years, the principal buyer was the United Kingdom.

- *Newsprint*—Production totalled 393 thousand tons but new plants going into operation in 1956 should step the figure up to 450 thousand tons.

- *Paper and Board*—This industry worked at full capacity in 1955 for the first time since 1951, and turned out 1·5 million tons, against 1·39 million in 1954. Wallboard production alone reached 424 thousand tons. Exports of paper and board totalled 825,478 metric tons (770,487 in 1954). By far the largest customer was the United Kingdom, which bought 22 per cent of the total.

Favourable developments in industry were not paralleled in agriculture which, because of the cold spring and exceptionally dry summer, suffered from a poor harvest, with production down about 10 per cent. Compared with 1954, the harvest of bread grain was about 30 per cent, the potato harvest 6 per cent, and the sugar beet harvest 12 per cent smaller than in 1954.

A new price support scheme for agriculture is to take effect from September 1956. Under the present system, prices are fixed annually in order to guarantee farmers a total income which will provide a standard of living equivalent to that of comparable groups in the community. Under the new scheme, prices of Swedish agricultural products are expected to be adjusted every three years, ordinary import duties and the present system of import monopolies will be abolished, and imports made subject to a special levy.

Outlook for 1956

Increasing international trade makes Sweden more and more dependent on world conditions but prosperity in Western Europe and North America seems likely to continue during 1956. The foreign demand for Swedish products is therefore expected to remain at or near the same level. It is expected that it will be possible to maintain the high level of production of iron ore and that investment in housing construction will not fall below last year's figure.

In various sectors there were signs of a slackening in the general activity towards the end of the year. Even though there are indications that the excess demand has declined, it is not yet possible to say with certainty that it has disappeared. During 1956, the measures taken in 1955 to restrain investment may have an increasing effect. If this proves true, it is possible that the sharp increase in industrial investment during 1955 will decline during 1956, although a high level will no doubt be maintained.

Samples and Advertising Materials

Austria has become the 20th country to sign the International Convention to facilitate the import of commercial samples and advertising materials, says a recent release from the United Nations. This convention was designed to make it simpler for traders and merchants to import samples and advertising materials from foreign countries. Drawn up by the Contracting Parties to the General Agreement on Tariffs and Trade in November 1952, it has now been signed by twenty countries, though not by Canada or the United States. Among other things, it provides for samples of small value to be imported duty-free and others to be admitted temporarily, with a deposit made or security given. Certain types of advertising material including films mal ayso enter duty-free.

SWITZERLAND

Swiss absorb imports at one of highest per capita rates in world; market is unrestricted (except in agricultural products) but competition stiff. Canadian exports to Switzerland down slightly in '55, but prospects for greater sales of wheat this season.

N. W. BOYD, *Assistant Commercial Secretary, Berne.*

THE YEAR 1955 saw Switzerland reach new heights of economic prosperity, the continuation of a trend apparent during the past decade. This was reflected most clearly in the record turnover in both foreign and domestic trade, the scarcity of labour which brought increased employment of foreign workers (at certain times of the year close to 300 thousand or about 1/7 of the labour force), the high level of fiscal revenue and the surplus in state accounts, the expansion of investments abroad, and a still expanding tourist trade.

The building and the capital goods industries operated at capacity. Deliveries in the engineering and electrical equipment sector reached a record and the backlog of orders at the year's end was unusually high. The watch industry continued to prosper in spite of substantial American tariff increases a year and a half ago. Sales were satisfactory too in the chemical and pharmaceutical fields. The textile and leather industries did not find the going as easy and in some cases output was down. Business in embroideries continued to be good, but in silk and rayon weaving and the hosiery and knitting industries there were wide variations. The stiffening of competition is evident in the Swiss textile processing industry, where returns dropped some 15 per cent despite increased capital investment.

Retail turnover increased by 10 per cent during 1955, reflecting the higher national income, and prices tended to rise. The consumer price index stood at 173·6 at the end of 1955 (August 1939=100) compared with 172·9 in December 1954 and 170·1 at the end of 1953, and in the past few months more claims than usual for higher wages have been made. However, the public is generally aware that higher production costs could weaken Switzerland's competitive position in export markets, and this realization will probably moderate the wage increases.

The Money Market

On the money market, the over-abundance of liquid funds has given place to a relative tightness, achieved through agreements between the National Bank and the large credit institutions and through a greater demand for credit. Rates of interest have risen moderately over the year, but remain very low compared with most other European countries. Various foreign corporations and governments have taken advantage of this situation and have successfully floated some 12 loans during 1955 (bearing interest from 3½ to 7 per cent) to a total value of Sfr. 427 million. Investment trusts continued their rapid expansion during 1955. Among the four new ones, two have assets in Canada, either in the form of shares or real estate. The word Canada, in one form or another, appears in the titles of nine of the Swiss investment funds including six of the eleven established since 1952.

Switzerland's financial prosperity is also evident from her gold reserves. At the end of 1955 these totalled Sfr. 6,686 million, thus covering the bank note circulation of Sfr. 5,515 million by 121·3 per cent. This is the highest percentage of gold coverage in the world. A proportion of these gold reserves were accumulated through continuous surpluses within the EPU over the last years. In 1955, however, the trade deficit within the EPU resulted in a minor drain of gold, because Switzerland's cumulative surplus declined from Sfr. 1,757 million to 1,461 million.

Foreign Trade Reaches Record

The brisk economic activity during 1955 was clearly reflected in Switzerland's foreign trade, which reached a record both in imports (Sfr. 6,401 million, up 14·5 per cent from 1954) and exports (Sfr. 5,622 million, up 6·7 per cent from 1954). Stimulated by the growth of incomes and the high level of investment, imports rose faster than exports and the Swiss balance of trade showed a deficit of Sfr. 779 million (Sfr. 32 million in 1954). However, the income earned from foreign investments and services is estimated to total more than twice this deficit, so that the Swiss balance of current payments once again was in surplus.

Swiss Foreign Trade by Principal Commodities

(in million Swiss francs)

IMPORTS

Commodities	*1955*	*1954*	*1953*
Fuels	527	479	431
Machinery	490	404	376
Raw metals	385	296	197
Automobiles	334	266	276
Raw textiles	293	327	319
Fruit and vegetables	280	255	237
Sheet iron	207	146	121
Instruments and apparatus	186	168	131
Wheat	116	145	141
Lumber	88	63	47
Cotton and wool fabrics	81	80	65
Raw tobacco	77	74	74
Oil fruits	65	75	63
Raw chemicals	60	50	34
Leather	24	21	23
Hides and skins	18	20	22
Total Imports	6,401	5,592	5,071

EXPORTS

Commodities	*1955*	*1954*	*1953*
Machinery	1,237	1,099	1,040
Watches	1,077	1,040	1,107
Pharmaceuticals	405	382	321
Instruments and apparatus	399	359	334
Aniline dyes	270	296	335
Cotton fabrics	171	172	162
Chemicals for industrial use	152	128	100
Embroideries	118	112	99
Cheese	111	112	102
Staple fibre	101	79	74
Silk and synthetic fabrics	99	97	105
Aluminum	75	77	81
Tobacco products	55	54	55
Perfumery	44	40	32
Footwear	37	34	30
Chocolate	25	23	19
Total Exports	5,662	5,271	5,165

The expansion in purchases of raw materials (especially metals and fuels) and machinery reflects Switzerland's further industrialization. Under the present favourable world economic conditions, this tendency is likely to continue.

Switzerland's increase in foreign trade in 1955 was largely attributed to her dealings with OEEC countries. Europe's share in Swiss imports totalled 71·4 per cent, or 2·2 per cent more than in the preceding year. West Germany further strengthened its position as the number one supplier. Imports from France have moved up also, in spite of a long trade agreement dispute during the year. Among overseas countries, the United States ranks first as a Swiss supplier and second as a trade partner in general. Imports from South America, especially Brazil and Argentina, were down.

In 1956 agricultural imports are likely to increase—with the exception of a few commodities, this is

Swiss Foreign Trade by Principal Areas

(in million Swiss francs)

IMPORTS

Areas	*1955*	*1954*	*1953*
EUROPE	3,223	2,720	2,333
West Germany	1,507	1,216	1,017
France	770	643	515
Italy	613	545	461
United Kingdom	333	316	340
NORTH AMERICA			
United States	828	710	619
Canada	155	150	202
SOUTH AMERICA	352	422	390
AFRICA	224	193	184
ASIA	239	211	231
AUSTRALIA & OCEANIA	32	35	33
Total Imports	6,401	5,592	5,071

EXPORTS

Areas	*1955*	*1954*	*1953*
EUROPE	1,901	1,753	1,689
West Germany	755	641	579
Italy	463	462	500
France	385	389	367
United Kingdom	298	263	243
NORTH AMERICA			
United States	649	641	852
Canada	104	91	95
SOUTH AMERICA	516	508	414
AFRICA	326	280	267
ASIA	537	482	458
AUSTRALIA & OCEANIA	123	121	123
Total Exports	5,622	5,272	5,165

the only sector in which imports are restricted. The cold weather in Europe during the first months of the year caused considerable damage to Swiss crops, destroying more than half of the seeded winter wheat, most winter fodders (clover, lucerne, etc.), and part of the rape crop. Although this area has been resown to spring crops it is expected that up to 100 thousand metric tons of wheat for milling may be needed because a large proportion of the spring-sown crops will be used for feed. Fodder and feed imports are also expected to be higher than normal.

Trade with Canada

Canadian purchases from Switzerland in 1955, at $19·4 million, remained virtually unchanged over 1954, but Canadian exports to Switzerland declined slightly—from $26·8 million in 1954 to $25·6 million in 1955. However, excluding grain, Canada's exports increased from $10·1 million to $11·9 million during this period.

Switzerland will probably buy larger quantities of wheat and possibly feed grain from Canada this year, because of frost damage to winter wheat. Among the other commodities of importance in trade with Canada, appreciable changes in exports to Switzerland took place in the following:

Increases	*Decreases*
furs	tires
leather	flaxseed
pulpwood	lobster
wood pulp	washing machines
iron or steel bars	automobile parts
bookkeeping machinery	aluminum
stoves and heating apparatus	electric lamps
copper	cellulose products
synthetic resins	
drugs and chemicals	
sporting goods	

The Swiss Market

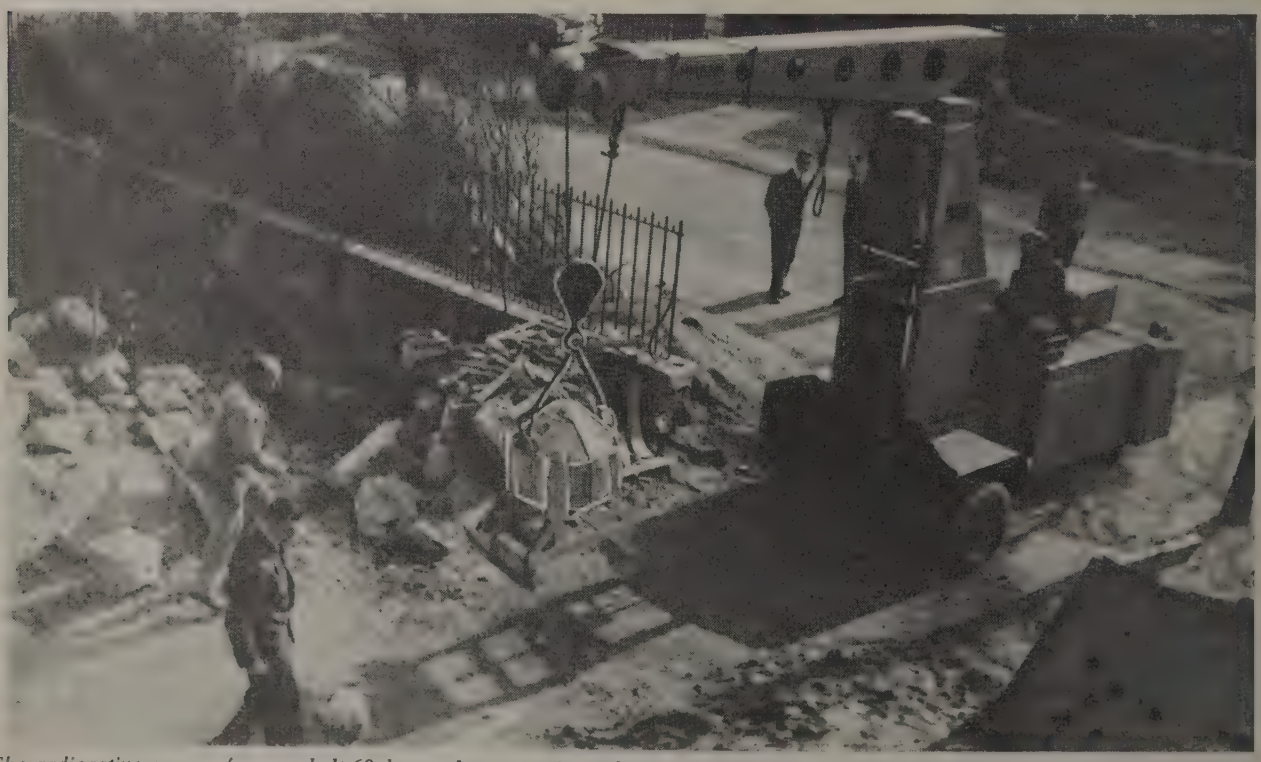
With the brisk economic activity expected to continue, Switzerland will probably keep on absorbing imports at one of the highest per capita rates in the world. There are no foreign exchange problems; imports are admitted without discrimination, and except for agricultural products, are almost entirely free from controls. Despite these conditions, the share of total imports from dollar sources has declined in recent years, accompanied by a corresponding increase in the proportion of imports from European countries. This decline in dollar purchases is particularly noticeable in manufactured goods, including such groups as chemicals, machinery, automobiles, and precision instruments and apparatus.

In a recent address at Geneva to the British Chamber of Commerce for Switzerland, the Rt. Hon. A. R. W. Low, Minister of State at the Board of Trade, London, pointed out that British exporters regard Switzerland not only as an important market but as a testing ground for their products. If they can be sold in this free and competitive market, the British are confident that they will sell throughout the world. This should apply equally to Canadian products.

The Canadian Government has accepted an invitation to be the sole foreign guest this year at the "Comptoir Suisse" Trade Fair in Lausanne from September 8-23. This Fair attracts some 800 thousand consumers and businessmen, most of whom can be expected to visit the Canadian Pavilion and see Canada and its products on display. Over 100 Canadian exporters are exhibiting products in the following categories: machinery and instruments, sporting goods, sportswear, leather, cereals, processed foods and beverages, appliances, metals and chemicals, textiles and garments, furs.

The Swiss market is conservative, and durability (not at the expense of design) tends to be stressed in consumer buying. Once a line is introduced it will probably continue to sell, though Swiss import distributors are constantly ready to test a new product. High cost of a quality product is no limitation to selling, provided it is competitive.

It is not an easy matter to suggest commodities which might do well in the Swiss market. Switzerland has a great diversity of products from many countries but goods from North America figure in every field. ●



The radioactive source for a cobalt-60 beam therapy unit made in Canada arrives in its leaden case (centre) at the Beaulieu Institute, Geneva. This is the first unit of its type to be sold to Switzerland and set up for the treatment of cancer.

Import Liberalization in Europe

This check list shows how the countries with which this special issue deals have liberalized imports from dollar countries and from countries in the Organization for European Economic Co-operation. Apart from the liberalized dollar products, many other goods are also being admitted into these countries from Canada, subject to approval of each transaction.

F. P. WEISER, *International Trade Relations Branch.*

	Dollar Imports	OEEC Imports
Austria	Effective July 15, 1955, Austria liberalized a few imports from Canada and the United States. Crude asbestos, canned fish and lobster, fish oils, linseed and rapeseed oil, inedible tallow and certain chemicals are among the items which are freed from restrictions.	*Austria took its first step towards OEEC liberalization in July 1953, freeing 36 per cent of private OEEC imports based on the year 1952. Six further steps in quick succession, the latest one on January 1, 1956, have brought the total to 90·3 per cent. The list does not include wheat but it includes wood pulp, lumber, various metals, asbestos, etc.*
Belgium-Luxembourg	A significant liberalization of dollar imports on May 26, 1954, has expanded the free list of dollar imports almost to the full extent of the OEEC free list. There remains a relatively short list of goods subject to import licensing requirements, regardless of their origin, which has been amended several times since May 1954. Licences are granted freely for most goods under licensing, with no discrimination against dollar imports. Many, but not all, unrestricted imports are also on common Benelux dollar import list permitting free circulation to the Netherlands.	*On July 1, 1955, Belgium-Luxembourg and the Netherlands brought into effect a common liberalization list for imports from OEEC countries. It covers 91·1 per cent of OEEC imports into the Benelux countries based on the year 1948. In Belgium-Luxembourg it replaces a separate list which amounted to 87·7 per cent of 1948 OEEC imports into these countries. As indicated in the left-hand column, the authorities of Belgium-Luxembourg do not discriminate against dollar imports in the application of import restrictions.*
Denmark	On February 23, 1955, and in two further steps later in the same year, Denmark liberalized a number of dollar imports, including synthetic rubber, lumber, wood pulp, flaxseed, undressed hides and skins, primary non-ferrous metals, synthetic resins, certain agricultural machinery, etc. Moreover, import licences are granted freely for certain listed dollar goods which have not been liberalized, mainly industrial machinery.	*OEEC liberalization has been in force since November 1949. Various additions to the list have raised the liberalization to 85 per cent of private OEEC imports based on the year 1948. Apart from commodities which have also been liberalized from dollar countries, the OEEC list also includes coarse grains, asbestos, etc. It does not include wheat.*
Finland	Since December 23, 1955, import licences are granted freely for a list of dollar imports provided that prices, quantities and qualities are reasonable. This list includes primary aluminum, nickel and zinc, various chemicals, magnesite fire brick, certain equipment for motor vehicles, etc.	*Finland is not a member of the OEEC. However, she admits freely from European countries and from all other non-dollar sources the products which are also liberalized from dollar countries and, in addition, certain other goods, including wheat and other cereals, asbestos, fish oils, tallow, etc.*

	Dollar Imports	OEEC Imports
France	Effective January 3, 1956, France freed from quantitative restrictions various imports from Canada and the United States including ores of iron, copper, manganese; base metal scrap; aluminum oxide; raw furskins; wood pulp; magnesite fire brick; certain industrial and agricultural machines, etc.	*In February 1952 France suspended its liberalization of OEEC imports which had been in force since 1950. Liberalization was resumed in September 1953 amounting to 8 per cent of private OEEC imports based on the year 1948. The list has since been expanded at various times. It amounts at present to 82 per cent.*
Germany (Federal Republic)	In February and November 1954, and again on May 28, 1955, Western Germany liberalized extensive lists of dollar imports, including whisky, tobacco, newsprint, lumber, wood pulp, asbestos, base metal waste and scrap, cattle hides, herring oil, rapeseed and linseed oil, various chemicals, farm machinery, various industrial machinery, etc.	*Germany implemented OEEC liberalization in October 1949, but suspended it temporarily in February 1951 because of a large EPU deficit. Liberalization was resumed on January 1, 1952, (54 per cent of private OEEC imports into U.S. and U.K. zones based on year 1949). The list has since been expanded at various times and it now amounts to 91·5 per cent. Like the dollar list, it does not include wheat nor other cereals, since they are under state trading.*
Greece	Under a procedure in force since April 1953 and somewhat amended since, most dollar goods are admitted freely into Greece, subject only to the availability of foreign exchange and regardless of their essentiality. Restrictions apply only to wheat, flour and some machinery items produced in Greece in sufficient quantities. A few luxury goods enter under quotas.	*No special OEEC list is in force in Greece and the procedure for dollar imports (see appropriate column) also applies to OEEC countries. This procedure represents a liberalization of 95 per cent of OEEC imports based on the year 1948. An earlier list of liberalized OEEC imports, implemented in December 1949, was temporarily suspended in January 1951.*
Ireland	Since October 7, 1954, the Republic of Ireland permits certain goods to be purchased freely from dollar sources, including cereals, cereal products, animal feedingstuffs, animal and vegetable oils and fats, oil seeds, seeds for sowing, hides, skins and timber. Importers may purchase freely most other goods from dollar countries up to a value of £250 every three months. However, there are other import controls which must be complied with. These arise out of the Agricultural Produce (Cereals) Act and similar legislation.	*Ireland has liberalized 90·2 per cent of private OEEC imports based on the year 1948. The list does not include wheat, coarse grains, automobiles, etc.*
Italy	On August 10, 1954, and on April 7, 1956, Italy liberalized a number of dollar imports in addition to certain others which had been freed in a series of steps taken since 1946. The liberalized goods are largely industrial raw materials such as synthetic rubber, lumber, base metals and ores, crude asbestos, raw chemicals, hides and skins. Moreover, some other products are also liberalized, including salted cod, inedible tallow, various types of machinery including certain office machines, etc.	*Italy's liberalization of OEEC imports amounts to 99·1 per cent of private imports from OEEC countries based on the year 1948. The few items remaining under control include wheat, flour, penicillin and motor vehicles. Italy originally introduced OEEC liberalization in September 1949, freeing 45 per cent of its 1948 OEEC imports.*

	Dollar Imports	OEEC Imports
The Netherlands	Effective June 1, 1954, the Netherlands implemented a common dollar import policy with Belgium and Luxembourg under which many listed dollar goods may enter any Benelux country freely and circulate within the Benelux territory. The list includes a large number of Canadian export products, including coarse grains, canned salmon, whisky, linseed oil, metal ores, synthetic rubber, lumber, pulp, newsprint, needles, base metals, asbestos, and many manufactured goods. The Benelux list is a considerable advance over the Netherlands dollar liberalization implemented in October 1953. Moreover, it is understood that import licences are being granted freely for most goods which are not on the free list.	*On July 1, 1955, the Netherlands and Belgium-Luxembourg brought into effect a common liberalization list for imports from OEEC countries. It covers 91·1 per cent of OEEC imports into the Benelux countries based on the year 1948. In the Netherlands it replaces a separate list which amounted to 92·5 per cent calculated on the basis of private OEEC imports into the Netherlands alone in 1948. The Benelux list for OEEC imports is somewhat more extensive than the Benelux dollar list.*
Norway	Dollar import liberalization has not been implemented and all imports from the dollar area are subject to import licensing requirements, although import licences are being granted relatively freely for various dollar imports, including mainly some industrial raw materials and machinery items. The Norwegian Minister of Trade and Commerce announced recently that a dollar import liberalization measure may be introduced shortly.	*OEEC liberalization has been in force since November 1949. From the original level of about 50 per cent of private OEEC imports based on the year 1948, various additions have been made to this list and it now amounts to 75 per cent of OEEC imports. The list includes wheat, coarse grains, flour, tobacco, synthetic rubber, lumber, wood pulp, newsprint, base metals, agricultural and industrial machinery, radio receivers, etc.*
Portugal	Since August 6, import licences are being granted freely for certain listed dollar imports including wheat, canned fish, whisky, synthetic rubber, various chemicals, crude asbestos, unwrought aluminum and copper, etc.	*In January 1950, Portugal liberalized imports from OEEC countries to the extent of approximately 50 per cent of Portuguese imports from foreign countries. In 1951 the percentage of trade covered was first raised to 60 per cent and then to 75. In January 1952, Portugal suspended all quantitative restrictions on European imports cleared before April 11, 1952, with a few exceptions. Since then such imports have remained liberalized to the extent of approximately 93·7 per cent of private OEEC imports in 1948.*
Spain	All imports from dollar countries require import licences. Dollar imports are largely confined to essential goods not available from non-dollar sources.	*Spain has not liberalized any imports from OEEC countries.*
Sweden	On October 1, 1954, and again in January 1955 and in January 1956, Sweden liberalized many dollar imports, including synthetic rubber, crude asbestos, fire brick, gasoline engines, iron and steel bars, machinery and many consumer goods. Moreover, licences are being granted freely for various listed dollar goods imported in transit via a non-dollar country or paid for in "transit" dollars. Unwrought non-ferrous metals and raw furskins fall within this category.	*OEEC liberalization has been in force since January 1, 1950. Additions have been made to this list at various times. The liberalization now amounts to 92·6 per cent of private OEEC imports based on the year 1948. The list does not include wheat or coarse grains, flour, and automobiles. It includes lumber, synthetic rubber, base metals, etc.*

	Dollar Imports	OEEC Imports
Switzerland	Since January 1932, various listed imports have been subject to import licensing requirements. Licensing control applies to imports from all sources on a non-discriminatory basis. The list of imports under licence has been revised at various times and comprises now about one-quarter of the items in the Swiss customs tariff. Licences for most commodities are granted relatively freely to established importers. Goods not on this list enter free from control. Many goods of interest to Canada enter freely, including base metals, hides and skins, wood pulp, newsprint, canned salmon, whisky, asbestos. Among goods under licensing requirements are wheat, coarse grains, flour, apples, lumber, automobiles.	*No special OEEC list is in force in Switzerland. The procedure quoted in the "dollar imports" column also applies to OEEC countries. This procedure represents a liberalization of 92·8 per cent of OEEC imports based on the year 1948.*

trade and tariff regulations

Iraq

CERTIFICATE OF ANALYSIS REQUIRED FOR IMPORTS OF ANTIBIOTICS—New regulations were recently introduced by the Iraqi Ministry of Health, under which each consignment of antibiotics imported into Iraq must be accompanied by a certificate of analysis issued by a government laboratory. These certificates must be endorsed both by the appropriate government department and by the representative of the Iraqi Government in the exporting country.

In Canada, antibiotics are under the control of the Biologics Control Laboratories, Laboratory of Hygiene, Department of National Health and Welfare, 45 Spencer Street, Ottawa. The Minister of Lebanon, 470 Wilbrod Street, Ottawa, is in charge of Iraqi interests in Canada.

Pakistan

IMPORT CONTROL POLICY ANNOUNCED—Cabled advice from the Canadian Commercial Secretary, Karachi, reports that the new Pakistan import control policy for the shipping period July-December 1956 has ben released. According to the cablegram, there are no significant changes and again no indication of the ceiling values.

The new policy makes the following deletions from the schedule of permissible imports for the previous shipping period, January-June 1956: crown corks; canvas for industrial use; filtercloth; oilcloth; nylon bristles; twine guts.

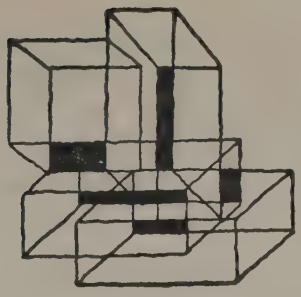
Additional items now included under the import policy for the shipping period July-December 1956 are: woollen fabrics, woollen yarns; long-playing records; small arms.

Further details will be available when the official text is received by the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Trade Commissioners on Tour

G. A. BROWNE, Commercial Secretary in Havana, Cuba, completes the first half of his Canadian tour in Montreal, June 22-29, and Ottawa, July 3-20. He will resume his tour, in the West, early in October.

Businessmen may get in touch with Mr. Browne through the Board of Trade in Montreal and the Department of Trade and Commerce in Ottawa.



commodity notes

Denmark

FURS—The last of this season's fur auctions in Denmark was held on April 26. Prices were a little lower than at the previous auctions. Of the offerings, 64 per cent of the standards and 80 per cent of the mutations were sold. Average prices in Danish kroner were as follows: pastel minks 140 D. kr., silverblu 132 D. kr., standards, 102 D. kr. Total sales at the auction are estimated at 4 million Danish kroner.

At the four auctions held this season, almost 500 thousand furs were sold (95 per cent of the offerings) to a total of 45 million Danish kroner—Copenhagen, June 5.

Finland

PAPER—The Finnish firm Lohja-Kotka OY is expanding its kraft paper mill in Lojo and will shortly begin construction of a 20,000 square metre building to house a new paper machine. The Government has loaned the company 90 million marks—Stockholm, May 31.

France

CHAMPAGNE—The year 1955 was the best one that the champagne industry has enjoyed since the war. Sales of champagne wine at 38·1 million bottles were 13 per cent above the previous year. This includes 25·8 million bottles for the French market and 12·3 million for export, representing gains of 17 and 9 per cent, respectively.

The foreign markets in order of importance were the United Kingdom, which imported 20 per cent more champagne in 1955 than the previous year, and the United States, 19 per cent more. Belgium, in third position, shows less increase over 1954, yet it represents the biggest per capita market. Italy, in fourth position, shows an increase of 30 per cent over 1954 and imported five times the prewar volume. Other markets where steady progress is noted are Venezuela, Switzerland, Sweden, Canada and the Netherlands—Paris, May 29.

COAL—France produced 57·4 million tons of coal in 1955, an increase of 1·1 million tons over 1954. The number of workers actually employed in the mines dropped from 224 thousand at the end of 1954 to 214 thousand at the end of 1955. Total imports of coal increased from 15·9 million tons in 1954 to 16·6 million tons in 1955, the result of a rise in coke imports from 3·8 million tons in 1954 to 5 million. Imports of other types of coal declined from 12·1 million to 11·6 million tons—Paris, May 16.

Italy

AUTOMOBILES—The record figure of 268,756 units was reached in the production of motor vehicles in Italy during 1955, representing an increase of 24 per cent over 1954. Of this figure, 230,833 were automobiles, 22,878 motor trucks, 2,852 motor buses, and 12,193 other motor vehicles. The year 1955 was also a record one for exports; 74,645 units were shipped abroad, an increase of 69·1 per cent over 1954. This export figure is made up of 19,397 automobiles, 3,915 trucks, 582 buses, and 750 other motor vehicles. Germany, Austria, Switzerland, Belgium, Sweden and the Netherlands were the main purchasers, but South American countries and the United Kingdom are developing markets—Rome, June 2.

IRON AND STEEL—A remarkable increase in production in this industry was noted during 1955, due largely to the steadily rising consumption of Italian steel. Production figures for 1955 of various items, with comparisons with 1954, are as follows: cast iron, 1·63 million tons (1954, 1·26); steel, 5·39 million tons (1954, 4·21); rolling mill products, 4·02 million tons (1954, 3·15)and ferro-alloys 0·11 million tons (1954, 0·09)—Rome, May 26.

Netherlands

COCOA BEANS—Netherlands imports of cocoa beans in 1955 totalled 59,170 tons valued at 184·7 million guilders, as against 51,815 tons and 209·6 million guilders in 1954. Cocoa imports from French West Africa increased from 7,444 to 14,381 tons. The turnover on the Amsterdam futures market during the first quarter of 1956 totalled 6,305 tons against 12,040 tons in the corresponding period of 1954. This drop

was caused by the fact that margins for trade were usually too narrow on the lower price basis—The Hague, May 29.

Norway

SULPHITE NEWSPRINT—A Norwegian company which operates seven pulp and paper mills in the south of Norway is planning a modernization and expansion program calculated to cost Norwegian kroner 90 million. It includes the purchase of a new papermaking machine to produce some 45,000 tons a year and the development of three waterfalls with a total capacity of about 45,000 h.p. A loan of Swiss fr. 15 million has already been raised to buy this new paper machine from a German workshop. It will be the largest machine of its kind in Norway. Meanwhile, the company is continuing its experimental production of sulphite newsprint, using pulp made from commercially low-grade pine as raw material. The production of sulphite paper is expected to reach record heights this year and adequate supplies of pine have been assured by the signing of five-year contracts with forest owners in Telemark—Oslo, June 6.

Portugal

AMMONIUM SULPHATE—The Portuguese sulphate of ammonia industry, which was established in 1952, produced a record amount of 80,000 tons of ammonium sulphate from two plants during 1955. The increase in production was accelerated by the availability of a more regular supply of electric power from newly installed hydro-electric projects. A government plan calls for a total production by the two factories of 140 thousand tons a year. In 1955, a group of electrolizers was installed in each factory and plans call for the installation of four more by 1957.

Meanwhile, the construction of dams and new electrical centres is being stepped up to produce more power, part of which will be used for increasing the output of ammonium sulphate—Lisbon, June 4.

Sweden

PULP—According to a report in the *Swedish Wood Pulp Journal,* Swedish producers of bleached sulphate pulp have been able to increase their prices on the American market for the second quarter by $2.50 to $5.00, making the price $152.50 to $155 per short ton on dock. The price of unbleached kraft pulp has also been increased by approximately the same amount, to $120 to $125 per short ton on dock.

On the other hand there has been practically no increase in sulphite prices on the American market and Swedish quotations remain the same as for the first quarter of the year—$145 to $150 (occasionally $155 for special qualities) for bleached paper sulphite and $125 to $130 for strong sulphite, on dock values—Stockholm, May 30.

WALLBOARD—The youngest of Sweden's wood industries, the 25-year-old wallboard industry, has expanded during the postwar years; it now comprises 17 factories whose total production in 1955 amounted to 424 thousand metric tons compared with 361 thousand in 1954 and 328 thousand in 1951. Of the 1955 total, 354 thousand tons were hard and 70,000 tons porous board. Sweden is currently the largest supplier of wallboard on the world market. In 1955, exports totalled 259 thousand tons, against 219 thousand in 1954; this 20 per cent increase resulted from the liberalization of wallboard imports in the United Kingdom, the Netherlands, Belgium, West Germany and Denmark.

Swedish domestic consumption of wallboard during the last two years has remained unchanged at approximately 145 thousand tons, 20 kg. per capita, which is the world's highest average. This industry is producing a prefabricated sports bungalow, the "Wallbo house", in which most of the wood panelling is replaced by wallboard. The size of the bungalow varies between six and 48 square metres. For a "Wallbo" bungalow of 30 square metres, the cost of material would be no more than 2,700 kronor, excluding interior fittings and painting —Stockholm, May 30.

West Germany

POTASH—According to reports from Hannover, a Japanese order for 70,000 metric tons of potash has been placed with the German potash industry. Negotiations over the supply of German potash to Japan began last autumn in the Federal Republic between the Japanese Agricultural Minister and the sales organization of the German potash companies in Hannover. The order is stated to be worth DM28 million—Bonn, May 29.

United Kingdom

FOOTWEAR—In 1955 U.K. exports of boots and shoes totalled 7·9 million pairs, worth £9 million, an 8 per cent increase in value compared with 1954. Exports to Canada and the United States increased substantially to $6·7 million, up by 200 thousand pairs over last year—London, May 31.

foreign trade service abroad

* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	City Mutual Life Building 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
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Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25. Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

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Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
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***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	G. F. Mintenko, Acting Canadian Government Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
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Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO—Vika	*Mail:* P. O. Box 1379 *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
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Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
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South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	I. V. Macdonald, Acting Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
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Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
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United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen. Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City 20	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, Chicago	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart New Orleans 12	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way Seattle 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada, Piso 7° Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor A. G. Kniewasser, Assistant Commercial Secretary W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·01170.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 7	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05491	18·21	(1)
		Free	·02738	36·52	
Australia	Pound		2·2178	·4509	
Austria	Schilling		·03802	26·30	
Belgium-Luxembourg	Franc		·01980	50·51	
Belgian Congo	Franc		·01980	50·51	
Bolivia	Boliviano	Official	·00520	192·3	
British West Indies	Dollar		·5775	1·732	(2)
	Pound		2·7722	·3607	(3)
	Dollar	British Honduras	·6930	1·443	
Brazil	Cruzeiro	Effective selling*			
		* Category 1	·00782	127·90	
		Category 2	·00662	151·15	tax 10% (4)
		Category 3	·00433	231·02	*May 15
		Official buying	·05385	18·57	(5)
Burma	Kyat		·2076	4·817	
Ceylon	Rupee		·2079	4·810	
Chile	Peso	Free	·002013	496·3	(15)
Colombia	Peso	Basic	·3954	2·529	(7)
		Free*	·2102	4·748	*June 6
Costa Rica	Colon	Official	·1760	5·682	
		Controlled free	·1489	6·718	
Cuba	Peso		·9884	1·012	tax 2% (4)
Czechoslovakia	Koruna		·1373	7·283	
Denmark	Krone		·1431	6·988	
Dominican Republic	Peso		·9884	1·012	
Ecuador	Sucre	Official	·06590	15·17	
		Free	·05372	18·62	
Egypt	Pound	Official	2·8384	·3523	(6)
Fiji	Pound		2·4975	·4004	
Finland	Markka		·004298	232·7	
France	Franc		·002825	354·0	(8)
French Africa	Franc		·005650	177·0	(9)
French Pacific	Franc		·01554	64·35	(10)
Germany	D Mark		·2353	4·250	
Greece	Drachma		·03294	30·36	
Guatemala	Quetzal		·9884	1·012	
Haiti	Gourde		·1977	5·058	
Honduras	Lempira		·4942	2·023	
Hong Kong	Dollar	Free*	·1684	5·939	*
		Official	·1733	5·770	May 25
Iceland	Krona	Official	·06069	16·48	
		Special buying	·04500	22·22	
		Special selling	·03545	28·21	(11)
India	Rupee		·2079	4·810	
Indonesia	Rupiah	Basic	·08704	11·49	(12)
Iran	Rial	Certificate	·01305	76·64	
Iraq	Dinar		2·7676	·3613	
Ireland	Pound		2·7722	·3607	
Israel	Pound		·5491	1·821	
Italy	Lira		·001587	630·1	
Japan	Yen		·002746	364·2	
Lebanon	Pound	Free	·3067	3·261	
Mexico	Peso		·07908	12·65	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 7	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2581	3·974	
Netherlands Antilles	Guilder		·5201	1·923	
New Zealand	Pound		2·7722	·3607	
Nicaragua	Cordoba	Effective buying	·1497	6·68	
		Official selling	·1403	7·13	
Norway	Krone		·1384	7·225	
Pakistan	Rupee		·2079	4·810	
Panama	Balboa		·9884	1·012	
Paraguay	Guarani	Official	·01647	60·72	(6) (13)
Peru	Sol	Certificate	·05202	19·22	
Philippines	Peso		·4942	2·023	
Portugal	Escudo		·03450	28·99	(14)
El Salvador	Colon		·3954	2·529	
Singapore & Malaya	Straits dollar		·3234	3·092	
South Africa (Union of)	Pound		2·7722	·3607	
Spain & Dependencies	Peseta	Basic buying	·04513	22·16	
		Basic commercial selling		16·61	(6)
		Free	·02538	39·40	
Sweden	Krona		·1911	5·233	
Switzerland	Franc		·2307	4·335	
Syria	Pound	Free*	·2793	3·58	*May 15
Thailand	Baht	Free	·04770	20·96	(6)
Turkey	Lira		·3530	2·833	
United Kingdom	Pound		2·7722	·3607	
United States	Dollar		·98344	1·0117	
Uruguay	Peso	Official	·6507	1·537	tax 6% (4)
		Principal buying	·5780	1·73	(6)
		Principal selling rates	·4717	2·12	
			·4425	2·26	
Venezuela	Bolivar		·2951	3·389	
Yugoslavia	Dinar		·003294	303·6	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.

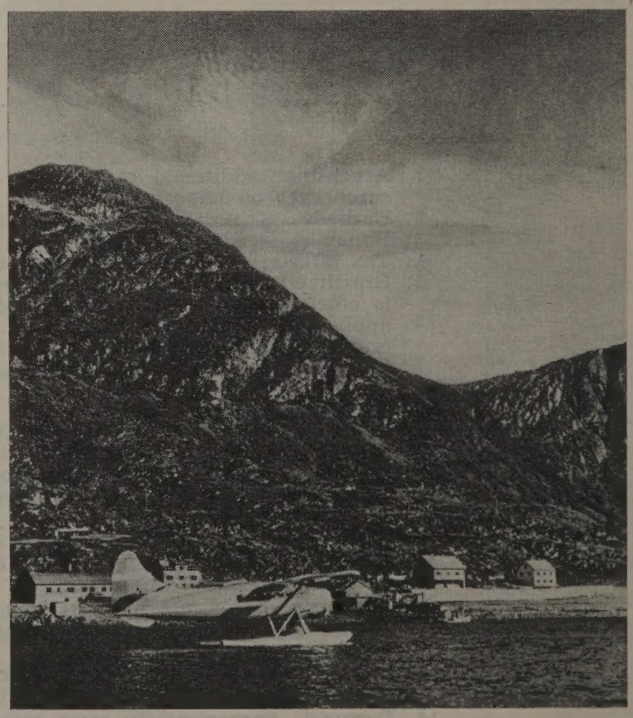
Canada in European Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Belgium—Mink breeding is becoming a popular business in Belgium and this breeder has come to the airport to supervise the unloading of the live mink he ordered from Canada.

In Sweden—For "Mors Dag", (Mother's Day) this store in the Swedish city of Goteborg suggests that these attractively-packaged towels from Canada would make a pleasing gift.

In Spain—This Spanish farmer in the Province of Tarragona is preparing his rice fields for the planting with a pony tractor which was imported from a Canadian manufacturer.



In Norway—This aircraft gliding to a stop in a Norwegian fjord was made by a Canadian firm which has also sold its planes in the Philippines, Colombia, Laos, and the U.S.

Summer's

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business goes on as usual

Take this magazine, for example. The series on the techniques of export trade continues with articles on MARINE INSURANCE—its place in the export sale; EXPORT CREDITS INSURANCE—how it works and how it protects the exporter; THE FREIGHT FORWARDER—his function and the services he offers . . . You won't want to miss these and the many other helpful articles and market reports in the summer issues.

Keep in the export picture this summer with Foreign Trade